



# ***Daily Report***

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## **China**

FBIS-CHI-92-137  
Thursday  
16 July 1992

# Daily Report

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16 July 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### Weapons Nonproliferation Viewed

OW1607091492 Beijing XINHUA in English  
0904 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—China, while favoring non-proliferation of weapons of mass destruction, holds that such non-proliferation should be conducted under the principles of fairness, reasonableness, comprehensiveness and balance, a Chinese Foreign Ministry spokesman said here today.

The spokesman made the statement at a weekly press conference when asked to comment on U.S. President George Bush's recent initiative on non-proliferation of weapons of mass destruction and guided missile delivery system.

He said that China has always stood for complete prohibition and thorough destruction of weapons of mass destruction.

Before achieving the objective, he said, China also favors the adoption of necessary and proper measures to prevent the proliferation of all kinds of weapons of mass destruction.

#### Position on Forced Labor Reaffirmed

OW1607090392 Beijing XINHUA in English  
0856 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—Chinese Foreign Ministry Spokesman Wu Jianmin today reaffirmed the Chinese Government's consistent position on the products made by forced labor.

At a press conference here this afternoon, Wu said that the Chinese Government's position on the products made by forced labor has been very explicit.

He added that the enterprises involving forced labor have no right to conduct economic and trade activities with foreign countries or to engage in export businesses.

When asked to comment on a recent U.S. ban on imports of tea produced by the Red Star Farm in south China and socks by the Qinghe Hosiery Factory in Beijing, Wu said neither the farm nor the factory has ever been engaged in export trade.

#### Spratly Issue Discussed

OW1607084192 Beijing XINHUA in English  
0833 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—A Foreign Ministry spokesman said here today that China is opposed to "internationalizing" the question of Nansha [Spratly]

Islands but it is willing to hold bilateral negotiations to settle disputes over the issue with the countries concerned.

The spokesman, Wu Jianmin, in answering reporters' questions at a weekly press conference, reiterated that the Nansha Islands have been China's territory since ancient times.

With the view of safeguarding peace and stability in the region, he said, China has repeatedly expressed its willingness to hold talks with countries concerned to settle the dispute over the issue and has put forward the proposal of shelving the dispute and conducting joint development of Nansha Islands. Countries concerned have also expressed their desire to settle the dispute peacefully.

Therefore, it is not well-based to say that there is "tension in the region" or that the Nansha Islands will become a "potential hot spot" following Cambodia, Wu said.

#### Paris Agreement Stressed

OW1607082392 Beijing XINHUA in English  
0816 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—It is China's consistent view that the Paris agreement should be implemented comprehensively, a Chinese Foreign Ministry spokesman said here today.

Answering a question at a weekly news conference, the spokesman said specific problems and differences of views rising in the process of implementing the agreement should be properly resolved through consultations by all parties concerned.

#### EC Resolution on Hong Kong Viewed

OW1607081792 Beijing XINHUA in English  
0810 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—A Chinese Foreign Ministry spokesman said that China is firmly opposed to meddling in the Hong Kong issue by any country or group under any excuse.

The spokesman made the remark at a weekly press conference here this afternoon when asked to comment on the resolution on economic and commercial relations between the EC and Hong Kong adopted by the European Parliament.

"The Hong Kong issue is a matter between China and the United Kingdom before July 1, 1997 and will be China's internal affair after that," the spokesman said.

He said that the development of relations between China and Western Europe benefits both sides and the maintenance of prosperity and stability in Hong Kong is also in the interests of Western Europe.

"We hope that the European Parliament will treasure the improving relations between China and the EC and refrain from any move that will harm the prosperity and stability in Hong Kong," he said.

#### **NPC Group To Visit South Pacific**

*OW1607085492 Beijing XINHUA in English  
0831 GMT 16 Jul 92*

[Text] Beijing, July 16 (XINHUA)—A delegation from China's National People's Congress (NPC) headed by Peng Chong, vice-chairman of the NPC Standing Committee, will pay a goodwill visit to Micronesia, the Marshall Islands, Kiribati, Fiji and Vanuatu at the invitation of the parliaments of these countries, a Chinese Foreign Ministry Spokesman announced at a weekly press conference here this afternoon.

#### **UN Ambassador Speaks on 'Right to Development'**

*OW1507213492 Beijing XINHUA in English  
1627 GMT 15 Jul 92*

[Text] United Nations, July 15 (XINHUA)—Chinese ambassador to the United Nations said here today that the world organization, including the Commission on Human Rights, should give priority to the right to development.

Speaking at the substantive session of the U.N. Economic and Social Council in 1992, Chinese ambassador Jin Yongjian stressed that only when the right to development is fully exercised will it be possible to realize the political and economic rights of the peoples.

According to the Declaration on the Right to Development adopted at the 41st session of the U.N. General Assembly, the right to development is an inalienable human right and under this right each individual and the peoples of all countries have a right to participate in, promote and enjoy economic, social, cultural and political development.

The Chinese ambassador's speech today focused on the human right issue. He said that "a few countries should not try to push their own values, ideologies and social systems under the guise of human rights, and even less should they interfere in other countries' internal affairs and exert political pressure on other countries, especially on developing countries, in the name of 'protecting human rights.'"

On the reform of the commission on human rights, Jin said that the reform should be aimed at increasing efficiency and making its work better focused.

"It should as a priority be concerned with and solve the massive gross violations of human rights resulting from colonialism, racism, racial discrimination and foreign aggression and occupation, promote the implementation of the right to development and eliminate waste of human and financial resources due to an overlapping of organs and vagueness of responsibilities," Jin said.

Jin suggested that the world conference on human rights to be convened in 1993 should also give priority to the consideration of the issue of development.

He also said that the conference should handle properly the relations among the issues of development, democracy and various basic human rights and enhance the enjoyment of human rights and basic freedoms by the peoples of all the countries through universal and comprehensive implementation of the right to development.

#### **Reform of UN Development System Supported**

*OW1507224292 Beijing XINHUA in English  
2229 GMT 15 Jul 92*

[Text] United Nations, July 15 (XINHUA)—China says that it supports all ideas of the U.N. development system reform aimed at improving the management of U.N. operational activities in the economic and technical assistance to the developing countries.

Speaking today at the substantive session of the U.N. Economic and Social Council (ECOSOC) which began this morning its operational activities segment of the current session, a Chinese delegate said that even after the reform, the U.N. development system should continue to implement its time-tested principles of providing assistance on a multilateral, universal, neutral and grant basis.

The Chinese diplomat cautioned against any derogation of the principle of respect for national sovereignty in the reform endeavor. The democratic decision-making process, he continued, "must be assured by adhering to the principle of equal right of all states to participate in U.N. affairs, irrespective of their size, power or wealth."

"We are against any attempt to use reform as a pretext to attach political conditions to assistance provided through the U.N. development system."

As to the subject of political freedoms contained in "The Human Development Report" compiled by the U.N. Development Program (UNDP), the Chinese delegate reiterated the importance of adhering to the mandate of the UNDP set forth in the 1970 consensus, saying that the study of political freedoms has exceeded its mandate, the UNDP should cease any further work on the subject.

#### **International Seminar on Nuclear Power Closes**

*OW1507133192 Beijing XINHUA in English  
1243 GMT 15 Jul 92*

[Text] Taiyuan, July 15 (XINHUA)—The International Seminar on Nuclear Power and Radiation Protection was closed on Tuesday in Taiyuan city, capital of north China's Shanxi Province.

More than 160 experts and scientists from China and seven other countries and regions including Sweden, Japan, Iran and the United States attended the meeting.

The three-day seminar focused on protection against radiation, methods of environmental protection and counter measures in nuclear accidents.

Thirty-one theses were presented at the seminar.

### Northeast Asia

#### Zou Jiahua Meets With Top Japanese Planner

OW1607023392 Beijing XINHUA in English  
0205 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—Chinese Vice Premier and Minister in Charge of the State Planning Commission Zou Jiahua held talks here this morning with visiting Japanese Minister of State Takeshi Noda, who is also director general of the Economic Planning Agency.

In the talks, Zou gave an account of China's current economic situation, ways of macro economic control and reform of the state-owned enterprises, while Noda briefed Zou on Japan's new five year plan.

Moreover, they exchanged views on regular exchanges between China's State Planning Commission and the Japanese Economic Planning Agency.

### Southeast Asia & Pacific

#### Lao Military Delegation Received by Yang Baibing

BK1507084892 Beijing Radio Beijing in Lao  
1230 GMT 14 Jul 92

[Text] General Yang Baibing, secretary general of the Central Military Committee and Director of the General Political Department of the Chinese People's Liberation Army, held talks with the delegation of the General Political Department of the Lao People's Army [LPA] at Diaoyutai Guest House in Beijing yesterday. The Lao delegation was headed by Lieutenant General Osakan Thammatheva, deputy minister of national defense and head of the LPA General Political Department.

The host and his guests exchanged views on relations between their two countries and armies and political work of the two armies.

Osakan Thammatheva and his delegation arrived in Beijing on 12 July at the invitation of the General Political Department of the PLA. Besides Beijing, the Lao delegation will also visit Shanghai and Kunming.

#### Vice Premier Wu Xueqian Receives Lao Visitors

OW1507114692 Beijing XINHUA in English  
1115 GMT 15 Jul 92

[Text] Beijing, July 15 (XINHUA)—Vice-Premier Wu Xueqian met here today with a delegation of the Lao

Committee for World Peace, Solidarity and Friendship led by committee Chairman Singkapo Sikhotchounnamaly.

They agreed that more work should be done to further the Sino-Lao relations of friendship and good-neighborliness.

The visitors, who arrived here on Monday, are scheduled to tour Hangzhou and Kunming.

#### Foreign Minister Leaves for Brunei, Philippines

OW1607034892 Beijing XINHUA in English  
0323 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen left here by air this morning for an official goodwill visit to Brunei Darussalam and the Philippines at the invitation of Prince Mohamed Bolkiah, foreign minister of Brunei Darussalam, and Manglapus, the Philippine secretary of foreign affairs.

Afterwards, Qian will attend the ASEAN ministerial meeting, which will open in Manila from July 21 to 22, and hold consultations with the ASEAN foreign ministers at the invitation of Manglapus, who is also chairman of the ASEAN standing committee.

Qian was seen off at the airport by Chinese Vice Foreign Minister Xu Dunxin and Ariel Y. Abadilla, charge d'affaires ad interim of the Philippine Embassy in Beijing.

#### Machine Official Received by Burmese Minister

OW1507164892 Beijing XINHUA in English  
1539 GMT 15 Jul 92

[Text] Yangon, July 15 (XINHUA)—Myanmar [Burma] Minister for Planning and Finance and for Trade David Abel received a Chinese delegation here today.

The delegation is led by Wang Guiyi, senior adviser of the Chinese National Machinery Import and Export Corporation.

During the meeting, the host and the guests discussed matters relating to economic and trade cooperation between the two countries.

Chinese ambassador to Myanmar Liang Feng was present on the occasion.

The delegation arrived here this afternoon for a goodwill visit to the country.

During its two-week stay in Myanmar, the delegation will discuss with the Myanmar side bilateral cooperation in the mining and industrial fields.



**Thai Commerce Official Comments on Cooperation***OW1607110092 Beijing XINHUA in English  
0933 GMT 16 Jul 92*

[Text] Guilin, July 16 (XINHUA)—The Sino-Thai cooperation on tourism and commerce has great expectations, said Mr. Piphat, deputy under-secretary of state of the Thai Ministry of Commerce, during his recent official visit in Guilin.

Together with his wife and another eight Thai officials, Mr. Piphat was invited by the Chinese Ministry of Commerce. The group came to China on July 11 and has made a four-day investigation of Guilin, a famous scenic spot in the Guangxi Zhuang Autonomous Region.

The Thai official praised Guilin for its effective measures for tourism environmental protection.

Mr. Piphat said, from a long-term point of view, the prosperity of commerce mainly depends on the promotion of tourism. China and Thailand have close connections in various fields and there are broad prospects for cooperation in tourism and commerce between the two countries.

**'Democratic Kampuchea Party' Makes Peace Proposal***OW1507132592 Beijing XINHUA in English  
1254 GMT 15 Jul 92*

[Text] Phnom Penh, July 15 (XINHUA)—The Democratic Kampuchea Party (DKP) said here today it will regroup and canton its armed forces once the ruling Phnom Penh Party agrees to dismantle its government.

The DKP made the proposal on the implementation of a United Nations peace plan in a statement issued today by the office of its leader, Khieu Samphan.

In the statement dated July 12, the DKP held that once the Phnom Penh Party accepts disbanding the Ministries of National Defense and Public Security, it would regroup 10 percent of its troops in the first week.

Another 20 percent of the troops would be cantoned in the second week after it dismisses its Ministries of Foreign Affairs and Finance, the DKP said.

The DKP would regroup another 30 percent of its forces in the third week once the Information Ministry is dismissed, according to the statement.

The remaining 40 percent of the DKP's forces would be regrouped and cantoned after the Phnom Penh Party agrees to dismantle the National Assembly, the chairmanship of the Council of Ministers, the presidency of the so-called "State of Cambodia" and other ministries, the statement added.

The DKP also suggested that consultative committees of the Supreme National Council of Cambodia (SNC) be set up within the existing administrative structures and the police forces of all the Cambodian parties.

It reaffirmed that the goal of restoring national sovereignty and independence of Cambodia can only be attained by implementing two provisions—the withdrawal under U.N. control and supervision of all foreign forces from Cambodia with a guarantee of no return and measures to be taken to enhance the SNC's role.

**Scientists Develop Virus-Resistant Grain***OW1507115092 Beijing XINHUA in English  
1109 GMT 15 Jul 92*

[Text] Canberra, July 15 (XINHUA)—A grain type free of the threat from a major grain-killer virus has been developed by a group of Australian and Chinese scientists.

The development, once applied widely in agriculture, would save millions of dollars in both Australia and China as well as in other countries, according to the latest newsletter of the overseas information branch of the Australian Department of Foreign Affairs and Trade.

The barley yellow dwarf virus, known as "the AIDS of wheat," can wipe out up to 75 percent of a crop at its most virulent.

Researchers from the Australian Commonwealth Scientific and Industrial Research Organization and the Chinese Academy of Agricultural Sciences have achieved the resistant species for the first time through genetic engineering means.

The team screened more than 1,000 grass types taken from China, Afghanistan and the Commonwealth of Independent States to find out the gene resistant to the virus.

Then they isolated the part of the chromosome carrying the gene to transfer it to wheat plants to obtain the new type acquiring the same characteristics.

By growing hundreds of plants from tissue culture and screening them through four generations of growth, the scientists have finally developed 14 lines of wheat with the resistant qualities.

The selected lines will be further tested to establish the one with greatest resistance, which will then be introduced into application.

**West Europe****Li Peng Receives Former French Prime Minister***OW1507131292 Beijing XINHUA in English  
1252 GMT 15 Jul 92*

[Text] Beijing, July 15 (XINHUA)—Chinese Premier Li Peng said today that China attaches great importance to developing its relations with France.

It is imperative to take a forward-looking attitude toward such relations, Li said at a meeting with visiting former French Prime Minister Michel Rocard here this afternoon.

Official sources quoted Li as saying that the friendship between China and France is on a profound basis.

The two countries have had established diplomatic relations for 29 years. The growth of bilateral relations has not been easy, he said.

Li said the Chinese Government highly values Sino-French relations, and has made efforts for the development of such a relationship.

He repeated what he had said in the past that there is no reason to reclose the door of Sino-French relations that was opened by the late General Charles de Gaulle.

To eliminate a shadow in the relations between the two countries, overcome the existing difficulties, and improve and develop bilateral relations are in the fundamental and long-term interests of the two peoples, he added.

Li said Sino-French economic relations and trade are good on the whole.

Over the past few years, he noted, China imported some major projects from France. Among Sino-foreign joint

ventures, many are businesses with French investors. Some new cooperative projects are now under discussion.

He said it is harmful to create a pessimistic atmosphere for bilateral economic relations and trade and be blind to see the realities and potentials of the Sino-French economic cooperation.

"I believe it is imperative to take a forward-looking attitude toward Sino-French relations," he said.

Li expressed the hope that Rocard will continue his positive effort to improve and promote bilateral relations.

Rocard said he visited China as minister of agriculture in 1983. Nine years later he came to China again, witnessing great changes in the country.

On Sino-French relations, Rocard said the present unfavorable factors existing between the two countries can be overcome so long as the two sides make earnest efforts. He will work hard to this end, he added.

Present on the occasion were Qi Huaiyuan, director of the Foreign Affairs Office under the State Council, and Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs which plays host to Rocard.

Rocard arrived here yesterday. Chinese Vice-Premier Zou Jiahua and Foreign Minister Qian Qichen met him on separate occasions and discussed with him the development of Sino-French relations. Qian and Rocard also exchanged views on major international issues.

**Political & Social****Qiao Shi Addresses Party School Graduation**

OW1507200592 Beijing XINisUA Domestic Service  
in Chinese 1232 GMT 15 Jul 92

[By Tian Shanchuan (3944 1427 1557), reporter of the Central People's Radio Network, and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 15 Jul (XINHUA)—Addressing a graduation ceremony today for the 1992 summer class of the Central Party School, Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and president of the Central Party School, said that, at a time when Comrade Xiaoping's talks have aroused the whole nation's high enthusiasm and initiative, all leading party cadres must always stick with the masses. They must stand on the front of the vast number of cadres and people and lead them to work hard to accelerate China's socialist material and spiritual constructions.

This year, a total of 931 students graduated from the school's three summer classes—475 from the advanced studies class, 232 from the training class, and 224 from the theoretical study class. Also graduating at the same time were 2,553 students studying at the school's three divisions for cadres from organs under the CPC Central Committee, central state organs, and military units.

Qiao Shi said: The commencement of these classes this year coincided with the drive to relay the important talks which Comrade Deng Xiaoping made during his tour in southern China. Comrade Jiang Zemin also gave an important speech at our party school not long ago. You must have the feeling that the gains this summer are quite conspicuous. These gains can be summed up as follows: First, we have deepened our understanding of the essence of Comrade Xiaoping's talks as result of having organically integrated the study of his important talks with the study of basic Marxist theory. Second, we have heightened our awareness of the need to fully adhere to the party's basic line characterized by "one center, two basic points." Third, we have acquired a clear idea of the need to accelerate economic development and quicken the pace of reform and opening up to the outside world. And fourth, we have become more capable of contemplating theoretical issues.

Saying that these gains have everything to do with studying Comrade Xiaoping's important talks, Qiao Shi pointed out: Comrade Xiaoping's important talks have extremely far-reaching significance and play an important role not only in guiding our work in various fields at present, but also in guiding the country to advance triumphantly along the socialist course with distinctive Chinese characteristics. Comrade Xiaoping's talks have produced tremendous repercussions in the whole party and the whole country; have boosted the morale and emancipated the minds of hundreds of millions of people; and have initiated the people's exploratory and

innovative efforts as well as their efforts to accelerate reform, opening up, and economic construction. The significance of the talks and the role they play can hardly be assessed.

Qiao Shi urged the graduates to continue studying Comrade Xiaoping's important talks, continue emancipating their minds, and persist in seeking truth from the facts after returning to their respective posts. He said: When we study Comrade Xiaoping's talks, not only should we study his strategic thinking, theoretical viewpoints, and decisionmaking principles, but also his pragmatic spirit as well as the Marxist stand, viewpoints and methods which he displayed and upheld in studying new situations and solving new problems, so that we can continue to act realistically, broaden our minds, break away from the bondage of old thinking, make persistent efforts to innovate, and proceed with an exploratory spirit.

Qiao Shi said: Thanks to Comrade Xiaoping's initiative and support at the time before and after the convocation of the Third Plenary Session of the 11th CPC Central Committee, our party's extensive discussion on the criteria of truth broke the bonds of the "two whatevers." Consequently, all party members have significantly emancipated their minds, our party has succeeded in shifting the focus of its work, and China has achieved enormous successes in its reform, opening up, and economic construction. China's reform, opening up, and economic construction has now entered a new stage of development. While there are many factors handicapping the efforts of deepening reform and opening up and accelerating economic construction, the resistance comes mainly from the bondage of traditional concepts and the influence of "leftist" ideology. Comrade Xiaoping said that we must be vigilant against rightism, but that we must direct our main attention to guarding against "leftism." Our experiences in the past several years have also proven that certain areas have been quite successful in striving to achieve faster growth with their resources, but that certain other areas have failed to strive and have not been as successful. When we study Comrade Xiaoping's talks, we must strive not to interpret certain Marxist principles and certain bookish instructions as if they were dogma, and we must make every effort not to lose our bearings in our busy lives. By doing this, comrades from the whole party will be able to renew their concepts, shake off the bonds, change their mind sets, and achieve another great mental emancipation; then we will be able to emancipate productive forces in a big way and bring about a new development of our socialist cause with Chinese characteristics.

Qiao Shi pointed out: When we study Comrade Xiaoping's important talks, we should also study the series of expositions he has made since the Third Plenary Session of the 11th CPC Central Committee and his theory about building a socialist society with Chinese characteristics, and we must deeply comprehend the basic concepts he consistently upholds. In conjunction with China's actual state in launching reform, opening to the outside world, and carrying out economic construction,

we should continue to do a good job in studying the basic theories of Marxism-Leninism-Mao Zedong Thought. We must have a firm grip of their spirit, and learn how to analyze new situations and deal with new problems from a Marxist stand and with Marxist viewpoints and methods. Meanwhile, we must study economic knowledge and experiences gained from handling economic affairs, as well as modern science and other academic subjects so that we can keep pace with the needs in reform, opening up, and modern economic construction.

Qiao Shi stressed: While studying Comrade Xiaoping's important talks, the key requirement lies in fully implementing the guidelines in the talks so that, on the basis of the actual state of affairs in our respective regions, departments and units, we can achieve even faster and better results in our economic construction as well as in our reform and opening up programs. He said: The need to create a new situation that can facilitate reform, opening up, and economic construction is the theme and basic spirit of Comrade Xiaoping's talks. To expedite economic construction, we must have positive and faster growth. We cannot afford to be slow, let alone to stand in place. Such being the case, we must have a sense of urgency. Proceeding from realities, we must make positive efforts to create the necessary conditions and strive to achieve faster and higher growth. However, we should not follow the old path of seeking nothing but higher output values and recklessly expanding the size of capital construction projects. We should instead make efforts to achieve genuine and effective growth through deepening reform, opening wider to the outside world, and upgrading our technology.

Qiao Shi concluded: In the final analysis, implementing the instructions in Comrade Xiaoping's talks means we must exert genuine efforts to do our work. In accomplishing the grand cause of building a socialist society with Chinese characteristics, we must continue to carry forward our party's fine traditions, energetically promote the spirit of waging arduous struggles and immersing ourselves in hard work, and firmly combat formalism and other unhealthy tendencies. Qiao Shi urged leading cadres to take the initiative in setting personal examples and work firmly and earnestly so that they can use their good conduct and solid work to lead the masses in pushing reform, opening up and economic construction to a new stage and creating a new situation.

Xu Ju, vice president of the Central Party School, chaired today's graduation ceremony. Present at the ceremony were Lu Feng, Wang Deying, Zeng Qinghong, Nie Dajiang, Zheng Keyang, Su Xing, Xing Benshi, and other leading members of relevant authorities.

#### **Cadres, Departments Forbidden To Conduct Business**

HK1607021892 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Jul 92 p 1

[By Willy Wo-lap Lam]

[Text] Beijing has in a dramatic reversal of policy issued new orders forbidding party and government departments as well as cadres to engage in business.

The General Office of the Communist Party Central Committee and the State Council earlier this month issued a nationwide circular forbidding official units at the county-level or above to run businesses or to start enterprises.

The circular also prohibited officials from maintaining "double identities", or being cadres and entrepreneurs at the same time.

However, the Document No 4 of the party Central Committee, which was disseminated in late May, specifically permitted official units and cadres to run businesses.

The document, approved by patriarch Mr Deng Xiaoping, was hailed throughout China as the chart for the conversion of China's planned economy into a market economy.

According to the just-issued circular, party and government departments must sever all links with enterprises they have established, especially in areas involving finance and personnel.

"Party and government departments are strictly forbidden to use their powers to seek illegal advantages for their economic entities," the circular said.

As a result of on-going administrative streamlining, many economic departments in the Government have been turned into business units.

The circular pointed out the latter must become autonomous and financially self-sufficient entities, and they could no longer exercise the executive functions of governmental offices.

The General Office and State Council indicated that, in line with the goals of political reform, officials were encouraged to leave their government posts to run businesses, including "contracting out" money-losing state factories.

However, the authorities pointed out, these enterprising cadres could no longer keep their official posts or seek business opportunities through old powers and connections.

Economists in Beijing said Document No 4 had exacerbated the phenomenon of guandao, or officials using their positions to succeed in the country's embryonic marketplace.

They added a large number of cadres, including the offspring of party elders, had since the spring moved to Shenzhen and other open cities in the south, where they took advantage of their connections to corner the real estate and other markets.

However, the newly issued circular made no indication that those sections of Document No 4 that apparently condoned guandao had been abrogated.



Nor did it invalidate regulations recently passed by various provinces authorizing local government units and cadres to exploit entrepreneurial opportunities.

### Shanghai Journal Criticizes Hu, Zhao by Name

HK1607072892 Hong Kong TANGTAI in Chinese  
No 16, 15 Jul 92 pp 16-18

[Article by Chang Hsiao-ming (1603 2556 7686): "Another Example of Retaliation by 'Leftist Lords'—Shanghai Journal Criticizes Hu, Zhao by Name"; first paragraph is TANGTAI editor's note]

[Text] Subsequent to Beijing's DANGDAI SICHAO [Contemporary Ideological Trend] criticizing Deng Xiaoping without mentioning his name for his "mistake in being capitalist oriented," some "leftist lords" in Shanghai have recently launched another public opinion offensive. SHANGHAI LILUN [Shanghai Theory] even went so far as to openly criticize Hu Yaobang and Zhao Ziyang by name, saying that their over-indulgence "was the fundamental cause of the strongly-backed spread of bourgeois liberalization." This criticism by name reflects an escalation of retaliation by the "leftist lords."

Three "roughnecks" representing Shanghai "leftists" are respectively referred to as "golden baton," "wooden baton," and "iron baton." "Wooden baton" Luan Baojun, nicknamed "Yimu," was recently discovered as comparatively rampant in Shanghai. He was only a JIEFANGJUN BAO reporter in the period before the "Cultural Revolution" and suddenly became member of a three-person rebellion group which "seized political power" during the 10-year catastrophe. At that time, Mao Zedong's Princess Li Na, who was in her twenties, was assistant chief editor of JIEFANGJUN BAO. Luan Baojun loyally relied on her but was later listed among the "monsters and demons." He attempted to climb up by overthrowing others but was finally overthrown by others.

### Luan Baojun Is Deng Liqun's Follower

After the "Cultural Revolution," Luan Baojun followed Che Wenyi in joining the central work team's mission to Shanghai. Luan Baojun took part in screening JIEFANG RIBAO and was appointed its assistant chief editor. When the screening work had almost finished, the central authorities sent Chen Guodong and Hu Lijiao to Shanghai, where they were appointed first and second leaders. They criticized JIEFANG RIBAO, WEN HUI BAO, and the municipal party committee's propaganda department for their inefficiency in the screening work. When the work team was withdrawn to Beijing, Luan Baojun also wanted to return to Beijing but the unit in which he had worked previously was unwilling to accept him. He had no alternative but to stay in Shanghai.

During the initial period of reform and opening up, Luan Baojun stuck to the "two whatever's." He wrote a signed article attacking the discussion on "practice being the only criterion for judging truth." Because he had taken

the "wrong side" on this major question of right and wrong, the JIEFANG RIBAO director and chief editor Wang Wei was dismissed from office. Apart from this, Luan Baojun himself had no alternative but to hand in retirement procedures when he was over 50.

A few years ago, the well-known liberal writer Wang Ruowang was expelled from the party and afterwards sent to prison. Luan Baojun wrote an article in the newspaper about "a struggle between Wang Ruowang and myself" and the like. His action was held in contempt by intellectuals but was highly appreciated by the "leftist prince" Deng Liqun, who was chief editor of DANGDAI ZHONGGUO [Contemporary China], and so Luan Baojun became his "special appointed" staff member in Shanghai.

In the previous issue of the magazine SHANGHAI LILUN, Luan Baojun had written a long article saying "bourgeois liberalization is the most dangerous trend under the socialist condition." In this bellicose "denunciation article," he not only directly quoted the "leftist stalwart" Wang Renzhi's remarks in three places, but also nakedly expressed some of his "new propositions." The following are some of them.

### Criticizing Hu Yaobang As Reversing Verdict of Rightists

"If we let it (liberalization) run wild, the party, the country, and everybody will perish!" "After the radical changes in Eastern Europe and the Soviet Union, many Communist Party members and party leaders have been slaughtered." "That was why Mao Zedong said: When the Communist Party changes its color, revisionists will come to power and that will be Fascist rule. Hence, he asked what we should do if the central authorities turned to revisionism?" "If the socialist state changes color, it will be the party that changes its color first. If the party changes color, then, it will be the party's leading group, especially the leading core, that changes color first. And if the party's leading core changes its color, it will be the ideology of the leading core that first undergoes changes, namely, accepting, supporting, or practicing bourgeois liberalization."

"The greatest mistake committed by Comrade Hu Yaobang during the period from his holding a position as department head up to general secretary was the practice of blowing the wind in a blast [yi feng chui 0001 7364 0706—doing too many things at once] whenever he handled a matter (as in redressing wrong, false, and misjudged cases)." "Under the auspices of Comrade Hu Yaobang, there were almost no rightists in the entire country and even Liu Binyan, Wang Ruowang, and Fang Lizhi, who were repeatedly proved to be real rightists, were all "rehabilitated." In fact, this not only negated the importance of the anti-rightists struggle and intensified some people's dissatisfaction with the Communist Party and Mao Zedong, but encouraged those who were filled with bourgeois ideology and incompatible with the Communist Party and Marxism-Leninism-Mao Zedong



Thought. A few of them were even put in important positions, with some leadership power in their hands, and have become the backbone and mainstay of anti-Communist Party, anti-socialism, and anti-Mao Zedong Thought!" (Mr. Luan probably made a mistake here. Fang Lizhi was not labeled as a rightist that year but his wife, Li Shuxian, bore the blame for him and was labeled rightist. If he could not even make this point clear, how could he censure Yaobang for "blowing the wind in a blast?")

#### Accusing Zhao Ziyang of Chopping Conservative Faction Three Times

"When Comrade Zhao Ziyang took office, he did not correct Comrade Hu Yaobang's mistakes and even added oil to the flames! He recruited a large number of those engaging in bourgeois liberalization and chopped those who opposed liberalization elements on three occasions: The first time, he put RENMIN RIBAO, which had been temporarily managed by the CPC Central Committee Propaganda Department, under CPC Central Committee Secretariat management; the second time, he abolished the policy research unit; and the third time, he abolished HONGQI magazine, which carried Mao Zedong's calligraphy on the cover. Zhao Ziyang also formed a think tank which was comprised of liberalization elements. These people played a very bad role in creating the turmoil and planning the counterrevolutionary riots." (It is very rare to see this kind of writing which takes an extreme position in criticizing Zhao Ziyang after "4 June." According to the customary practice on the mainland, without acquiring an imperial sword, Luan would not have written such a provocative thing; of course, an exception is allowed for someone who is extremely "leftist" to the extent that he loses his mind.)

"Comrade Hu Yaobang's noninterference and Comrade Zhao Ziyang's support were the basic reason for the arrogant and rampant bourgeois liberalization." "The authority over news and public opinion should be grasped by the real Marxists. However, in fact, at present some of the authority over public opinion is still in the hands of the 'fence-sitters' and this is a big danger!" "The international macroclimate is unfavorable to us," and "socialist countries are surrounded by imperialism." "International capitalism will never help us sincerely to build socialism, and even in economic exchanges, their purpose is to earn money or to buy people over through economic exchange, to carry out conspiracy, and win over the Chinese with weak minds to serve them. When we deal with them, we must keep one of our eyes open even when we sleep; otherwise, we will not realize when we are used by others."

"Because two of our party general secretaries failed to properly grasp party organization building and ideological construction, liberalization ran rampant and poisoned many people, especially young people. At present, how many of those under the age of 35 know the party's outstanding tradition? And how many of them believe in

socialism? We have 500,000 to 600,000 college graduates each year and over the past 10 years at least 5 to 6 million college graduates have spread to various corners of the country, some of them taking up important positions of authority. These people have been deeply influenced by the thought of bourgeois liberalization in school. People say the CPC has spent money to train those who will dig its grave!"

#### He Claims That Leadership Power Must Be Regained

"At present, many grass-roots organizations are not in the hands of real Marxists. Some persons are the most dangerous 'fence-sitters' as described by Comrade Jiang Zemin.... We have learned some lessons and regained the power to lead some departments (especially the propaganda and public opinion departments in the central authorities). However, many departments at the lower levels are still controlled by those who have been deeply influenced by bourgeois liberalization and this is true even in some propaganda departments at comparatively high levels. In these places, which are controlled by those people, they use their power to carry out legalized struggles with us and their 'two sorting outs' [liang qing 0357 3237] are not complete, while the essays criticizing bourgeois liberalization cannot be published and those who insist on criticizing liberalization are discriminated against. Some of those engaging in liberalization have become very popular and are frequent guests of propaganda and theoretical departments and their articles have often been carried by propaganda papers on the front page. The erroneous viewpoints disseminated by them have not been criticized and their printed matter, containing serious mistakes, has not been sorted out...."

"In the departments led by these people, some persons openly swear at the CPC and are not stopped and they even protect these people. It can be concluded that in these departments and localities, once there is a slight change, they will slip back into their old ways or even worse. If a person like Yeltsin emerges in China, it will be difficult to say whether the leaders of some departments will follow Jiang Zemin or the Yeltsin-like person.... At present, the political line of the central authorities is correct. But many things cannot be implemented, for there are the 'fence-sitters' causing trouble. If we cannot properly arrange our cadres in the next one or two years and allow the leadership power at various levels to be really grasped by Marxists, then we cannot sustain any rustle of leaves in the wind!"

After reading this strange article by Luan, the former editor in chief of Shanghai's WEN HUI BAO, Ma Da, asked: "Who has given him such big power to simultaneously criticize two general secretaries by name?"

**Writer Bai Hua Urges Liberating Ideology, Arts**  
HK1607014792 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Jul 92 p 11

[By Willy Wo-lap Lam]

[Text] A leading Chinese writer has pleaded with Beijing to put the liberalisation of ideology and the arts on the agenda of the 14th Party Congress.

Speaking in his home in Shanghai, veteran novelist and playwright Bai Hua said many writers were worried that during his trip to southern China earlier this year, patriarch Mr Deng Xiaoping failed to mention "ideological modernisation".

Moreover, despite permission being given to several dissident intellectuals to leave the country, a number were barred from even applying for a passport.

Bai, who has a large following in Hong Kong, Taiwan and Japan, said it was only last month that he had been granted permission to go for a short trip to Japan.

The Shanghai-based author said while Chinese in general had been encouraged by the market reforms unleashed by Mr Deng, intellectuals were worried that the patriarch had failed to raise ideological and cultural issues.

"Deng talked about economic reform, but said nothing about ideas and the arts," Bai said.

"There are even reports that he again criticised (disgraced party chiefs) Hu Yaobang and Zhao Ziyang for having succumbed to 'bourgeois liberalisation'."

Bai said writers and cultural personalities did not have high expectations of the 14th Party Congress, scheduled for November.

"We are worried ideological and cultural matters may not even be put on the agenda because there is no plan by the authorities to solve these thorny issues," he said.

The writer, who incurred the ire of Mr Deng for penning in 1982 the controversial movie script "Bitter Love," said the cultural and literary scene in the country remained "dull".

"Because there is no indication of a change of direction from Beijing, cultural officials have remained cautious," he said.

Even though Bai has never been charged with involvement with the 1989 democracy movement, his articles are banned from major newspapers and magazines in Shanghai and Beijing.

In the past two years, he has published two novels and a collection of plays in Taiwan. They do not carry political messages and have not been allowed to circulate on the mainland.

Since 1989, Bai has been invited to visit by academic and cultural foundations in many countries, including Japan and Germany. But it was only last month that he was given permission to go for a month-long visit to Japan as the guest of a director.

"Shanghai authorities never gave a reason for turning down my applications," he said.

Bai will explore the possibilities of a joint-production. He will also deliver a talk on Sino-Japanese relations in the past 20 years.

### 'Detailed Biography' of Deng Yingchao Issued

OW1607104192 Beijing XINHUA in English  
1016 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—A detailed biography of Deng Yingchao, a great proletarian revolutionary and stateswoman, noted social activist, firm Marxist, outstanding party and state leader and pioneer of China's women's movement, was issued here today.

She died of illness in Beijing on July 11 at the age of 88.

The highlights are as follows:

Deng Yingchao, whose original family home was in Guangshan County, Henan Province, was born on February 4, 1904 in Nanning, capital of the Guangxi Zhuang Autonomous Region. She and her mother moved to Tianjin in 1910 after her father died.

While studying at a teachers' training school in Tianjin in 1919, Deng actively mobilized her fellow schoolmates to participate in the May 4th movement, an anti-imperialist, anti-feudal, political and cultural movement influenced by the October Revolution and led by intellectuals having the rudiments of communist ideology.

During the period from 1920 to 1925, while teaching at primary schools in Beijing and Tianjin, Deng helped women to widen their general knowledge, spread the idea of patriotism, opposed the treasonable acts of the northern warlords (1912-1927) and tried to win equal rights for women.

She organized the Women's Rights League in Tianjin in 1923, joined the Tianjin Socialist Youth League in 1924 and became a member of the Communist Party of China (CPC) in 1925.

During the Great Revolution in China (1924-1927), Deng became head of the Women's Affairs Department of the CPC Tianjin prefectural committee, member of the Guangdong regional committee and head of its Women's Affairs Department. Later, she became secretary of the Women's Committee of the CPC Central Committee.

During the Agrarian Revolutionary War (1927-37), Deng engaged in clandestine activities under the office of the CPC Central Committee in Shanghai. Later, she became secretary-general of the Soviet Area Bureau of the CPC Central Committee and took part in the Long March.

After the outbreak of the war of resistance against Japan (1937-1945), she was a member of the Women's Committee of the Changjiang Bureau of the CPC Central Committee, secretary of the Women's Committee of the South China Bureau of the CPC Central Committee,

deputy secretary of the Women's Committee of the CPC Central Committee and a member of the delegation of the CPC Central Committee to Chongqing and Nanjing, the temporary capital and capital of the Kuomintang regime.

In January 1946 Deng served as a member of the CPC delegation to attend a political consultative meeting in Chongqing, Sichuan Province, and worked for the CPC delegation in Chongqing, Nanjing and Shanghai.

In March 1947 she returned to Yanan and served as acting secretary of the Women's Committee of the CPC Central Committee.

In March 1949 she was elected vice president of the All-China Women's Federation at the first national women's congress. She put forward new tasks for women and made great contributions to the liberation of women and other farmers in the liberated areas.

After the founding of New China in 1949 Deng Yingchao served as a leader of the party, the state and the All-China Women's Federation.

She was an outstanding leader of the Chinese People's Political Consultative Conference (CPPCC) and Patriotic United Front. While holding the post of chairwoman of the Sixth CPPCC National Committee, Deng devoted herself to persisting in and improving multi-party cooperation under the CPC leadership and the political consultative system.

She advocated that the CPPCC must, under the banner of patriotism and socialism, implement the spirit of great unity, carry forward democracy and bring into play the enthusiasm and speciality of the CPPCC members and create conditions for them to participate in political affairs.

She directly led the work to implement the policy for CPPCC members and democratic party personages and promoted the implementation of policies for ethnic minorities, religious service, affairs concerning nationals living abroad and intellectuals.

During the Cultural Revolution (1966-1976), Deng Yingchao resolutely fought against Lin Biao and Jiang Qing counter-revolutionary cliques and protected a large number of veterans.

After she became head of the leading group on Taiwan work, she adhered to the principle of peaceful reunification of the motherland and "one country, two systems" put forward by Deng Xiaoping.

Deng Yingchao had engaged in international activities to promote friendship for a long period of time. She met with personages and women of all walks of life from scores of countries and visited a number of countries to promote the understanding and friendship between the Chinese people and people of the rest of the world.

After retiring from her leading post in 1988, Deng still showed great concern for party building and state affairs.

She resolutely supported the party's basic line and collective CPC central leadership headed by Jiang Zemin. She agreed with the talk by Deng Xiaoping during his inspection tour to southern China early this year and earnestly wished that the country would become more prosperous and for the early reunification of the mainland and Taiwan.

#### **Li Ruihuan, Others Attend 'Venus' Film Reception**

OW0807053492 Beijing XINHUA Domestic Service  
in Chinese 1135 GMT 7 Jul 92

[By reporter Chen Yan (7115 7159)]

[Text] Beijing, 7 Jul (XINHUA)—A reception dedicated to "Venus," the first movie describing the lives of retarded children, was held at the Great Hall of the People this afternoon. Li Ruihuan, Ding Guangen, Bo Yibo, Yang Baibing, Wen Jiabao, Chen Muhua, Chen Junsheng, Hong Xuezhi and others were present.

"Venus" is a movie in which 16 mentally retarded children play the leading roles. Using the misfortune of Xie Changgeng, a worker with lung cancer; his retarded son; and the characters of civil servants, teachers, classmates, a physician, and a janitor around them, the movie depicts handicapped children's desire for a good life. It is a movie imbued with humanitarian spirit.

China has more than 50 million handicapped people, including more than 10 million mentally retarded people. The screenplay for this movie about retarded children's lives was written by Hang Ying, and it was directed by Xie Jin. It is the first movie of China, and even the world, in which the leading roles are played by mentally retarded children.

Speaking at a meeting held after the reception, the principal writers of the "Venus" production group and leading members of relevant authorities said the movie is outstanding and represents high artistic achievement, reflecting the harmonious relationship among people in a socialist society.

It has been learned that, when the movie made its debut in Beijing and Tianjin a few days ago, it was unanimously praised and acclaimed by central leading comrades and viewers of all walks of life. Central leading comrades have instructed that this movie be properly promoted, distributed, and shown so that it can be seen by many more people.

Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, spoke at the meeting (the full text of his speech will be transmitted separately). [Li's remarks at the gathering were published in the 13 July China DAILY REPORT, page 31, under the headline "Li Ruihuan Speaks to Producers of Film 'Venus']



Some principal responsible persons of relevant central authorities attended today's film reception.

# **Daily Lauds Guangdong People's 'Courage, Insight'**

HK1507120492 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 7 Jul 92 p 1

[Article by staff reporter Meng Xiaoyun (1322 0879 0061): "Where Do Guangdong People Get Their Courage, Insight?"]

[Text] "Enough guts!" This is the pet phrase of Guangdong people in recent years and is used to describe those brave, pioneering heroes. Since the introduction of reform and opening up, the courage and insight of the Guangdong people has been praised by the people around the country.

After Comrade Deng Xiaoping delivered his important talks during his southern tour, many provinces and cities around the country proposed to learn from the Guangdong experience. In their words, it is necessary to imitate the courage of Guangdong people in carrying out a certain undertaking and in experimenting in case of uncertainty.

The courage and insight of Guangdong people is manifested in the following manner: Boldness in attracting foreign capital and in importing advanced equipment, technology, and management experience from overseas; boldness in attracting talented people and in transforming science and technology into productive forces. Facts and figures make for a very convincing statement: From 1979 to 1990, the entire province actually made use of \$12.3 billion in foreign capital; foreign-invested enterprises numbered 12,000, while enterprises engaged in processing with supplied materials, drawings and samples, assembling with supplied parts, and compensation trade numbered more than 10,000; foreign trade exports came to \$52.197 billion; more than 1 million units and sets of advanced equipment were brought in from overseas. In the 11 years from 1978 to 1990, Guangdong completed an annual average of 18.7 billion yuan in fixed asset investments, including 85 percent of which were funded by Guangdong itself. Guangdong also financed the repair of railroads, building of bridges, construction of power stations and of ports by assuming the risks and being responsible for the payment of principal and interest. Raising the funds needed to carry out construction and reducing the state's financial burdens—this should be described as a big contribution of Guangdong to the state.

Where do the Guangdong people get their courage and insight? First, this should be credited to the emancipation of the minds of the leaders. In the early 1980's, the Guangdong Provincial CPC Committee already advocated "flexibility" [bian tong 6239 6639]. The result was effectiveness and efficiency from top to bottom, and the Guangdong people fully exploiting the word "flexibility." The chairman of the Guangdong commission on economic restructuring told this reporter: The objective

of reform and opening up is to emancipate productive forces. We uphold three principles: 1) Policies and regulations contain many provisions. In developing the economy, it is necessary to actively find the basis to accomplish a task and not to block it. 2) Policies and regulations cover a certain range which allows for flexibility. It is therefore necessary to exercise flexibility in the direction of developing the productive forces and invigorating the economy, and not go in the opposite direction. 3) Policies which truly benefit the country and the people but which are not stipulated may be implemented on experimental basis and then gradually popularized once the experiment proves successful. The leading cadres laid down the ground and climate for people to engage in audacious undertakings.

Over the past few years, the cadres in the Zhujiang delta have shaped up this kind of value concept: An endeavor is measured by the degree of satisfaction from the people. Only when you have developed the local economy and brought real benefits to the people are you considered to be competent. Hence, anything which is beneficial to the development of productive forces is applied.

Not too long ago, Zhuhai was just a sleepy little town; today, it has taken on an entirely new feature. In the city, the per capita road surface is 13.57 square meters and heavy traffic congestion is nowhere to be seen here; with the 50-million-yuan Modao diversion works put into operation, Zhuhai need not worry about drought in the future; since 1988, the city's power supply has risen progressively by more than 20 percent every year. Someone let out the secret: The city party committee secretary dared to adopt modern financial means and to borrow commercial loans for use in the "roads," "water," and "electricity." His viewpoint was: Money should be borrowed to make more money in order to build Zhuhai into a big city with a wholly new concept.

Guangdong has a saying: "An open-minded mother-in-law and a creditable son." Accomplishments are shared by everyone, but problems are my sole responsibility. This kind of broad-minded leader is found everywhere in Guangdong. A comrade from the Guangzhou technical information center narrated this story: In a factory located in a mountain region up north, the plant manager asked an assistant engineer to renovate an electric welding machine. He said to him: Just go ahead and do it. And if you succeed, it will be your achievement; if you fail, I will take the responsibility. With the support and encouragement of the leader, this young man was very confident and succeeded in his project, raising the work efficiency by several times. Meanwhile, when a project undertaken by the Foshan City Government created some problems, the mayor voluntarily asked to be punished while the cadres below lost no time in acknowledging their responsibility. The mayor said: I make the important decisions and naturally, I should assume the responsibility. With leaders displaying such

lofty position and protecting the initiatives of the subordinates, how can the people not "march on courageously!"

### Military

#### Article on Generals' Visits to Economic Zones

HK1607023792 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 26, 29 Jun 92 pp 4-7

[Article by Yi Jianru (2496 0313 1172), Qin Weidong (4440 5898 2639), and Li Shiyuan (2621 4258 0337): "Generals' Trips to Special Economic Zones"; first paragraph is editor's note]

[Text] The main principle of reform and opening up first advocated by Deng Xiaoping has won the warm support of the people throughout the entire country. Not long ago, with the Central Military Commission's approval, the People's Liberation Army [PLA] General Political Department organized 61 ranking generals into three groups for trips to the special economic zones [SEZ's] in Guangdong, to understand the situation of construction there. We carry the following article for our readers.

#### Shouting Long Live Reform and Opening Up

Lieutenant General Wang Chengbin, commander of Beijing Military Region, was in the first group to visit Guangdong and the SEZ's. With him was Lieutenant General Liu Jingsong, commander of Shenyang Military Region; Lieutenant General Liu Anyuan, political commissar of the Second Artillery Corps; and Lieutenant General Wei Jinshan, political commissar of the Navy.

After visiting Shenzhen International Trade Building, the generals arrived at Shuiwei Village, which is separated only by a river from the town of Yuan Long in Hong Kong. Since reform and opening up, this village, which has some 130 households, has attracted 14 Hong Kong and foreign businessmen to the place to set up factories and produce telephone sets and electronic toys, which have been sold to Japan and the United States. The village has a total industrial output value of 7.3 million yuan, and per capita annual net income is 8,000 yuan. Every household has a complete set of electric household appliances. Wang Chengbin praised: "This is a socialist new village of the small-scale prosperity type."

Wang Chengbin and the others walked and looked about; he was deeply moved by what he saw. At the end of the visit, Wang Chengbin talked about his feelings and opinions at a forum held by Shenzhen's leaders.

He said: During this trip to the SEZ, I have learned a vivid lesson and I have been greatly enlightened. The great changes in the SEZ show that reform and opening up is very correct and is a necessary road to building socialism with Chinese characteristics. If we had not engaged in disturbances in the 10-year Cultural Revolution, but had practiced reform and opening up, our

country would have been much stronger now and our economic strength would have been greater.

He stressed: "I want to say, in my capacity as an ordinary person, long live the theory of building the SEZ's; long live the leaders, instructors, and builders who make contributions to implementing the theory of SEZ's; and long live the brilliant thought of reform and opening up!"

His enthusiastic speech won loud and long applause. Vice Mayor Li Guangzhen and Yang Guanghui, a member of the city's party committee Standing Committee, went forward to shake hands with him. These words of the general were later described by overseas newspapers as "shouting long live three times."

#### Emancipate the Mind and Join the Big Tide of Reform and Opening Up

"To deepen the reform, expand the opening up, and enable the economy to scale new heights better and faster, it is necessary to further emancipate the mind and change concepts. Not emancipating the mind and not changing concepts, we cannot walk forward and scale new heights," said an enlightened Lieutenant General Cao Pengsheng, political commissar of Lanzhou Military Region, after returning from a visit to Shenzhen.

Forty years ago, Cao Pengsheng followed the Army to south China, and was stationed in the Zhu Jiang Delta for more than one year; at that time, Shenzhen was a small and unattractive town, with low houses, narrow market streets, and broken fishing boats.

Although it lasted only three days, the revisit to Shenzhen made him feel deeply that every achievement and progress made by Shenzhen was a result of continuous emancipation of the mind.

Cao Pengsheng said that in history, major social, political, and economic changes must be accompanied by a profound and arduous ideological revolution. Since the beginning of reform and opening up, and since the beginning of the running of SEZ's, there have been different opinions and the question of whether we are surnamed "socialism" or "capitalism," as well as condemnation, and up to now, some people still have various kinds of prejudices against Shenzhen. They have doubts and worries about deepening the reform and expanding the opening up, and they especially fear several problems: First, they fear that when the pace of reform and opening up is great, the masses cannot sustain it, and it will affect social stability; second, they fear that when the speed is fast, it will create a new round of overheated economy and imbalanced proportions; third, they fear that when capitalist things increase, peaceful evolution will emerge; and fourth, they fear that the reform and opening up will touch and harm individual interests. This shows that at present, to expedite the reform and opening up and enable the economy to scale new heights, the crux is to emancipate the mind

and change concepts, to enable our understanding to follow the pace of the times of reform and opening up.

Cao Pengsheng said: Comrade Xiaoping's speeches, which he made early this year when inspecting Shenzhen and other places, pointed out particularly that "China must guard against rightism, but mainly prevent 'leftism,'" and this has clearly pointed out for us the key point of the current problem of emancipation of the mind and watching out for tendencies. Why must we particularly prevent "leftism"? My understanding is that "leftist" things have deep roots in the habits of some of our comrades, who often think that "leftism" is better than rightism, and even think that rightism is a problem of stand and "leftism" a problem of method. They start everything from book worship and they have old concepts, and they habitually look at problems simplistically from the angle of whether they have "capitalism" or "socialism" as a surname. These traditional ways of thinking still bedevil the minds of some people and bind their hands and feet.

As a senior commander doing political work for a long time in the PLA, Cao Pengsheng firmly believes that the broad masses of officers and men of the PLA are always loyal to the party and the people, and that they cherish the party's basic line and actively support reform and opening up. However, under the new conditions, they also have a problem of continuously emancipating the mind and of deepening their understanding of reform. For example, the units under Lanzhou Military Region are in remote areas deprived of timely information, while life in the barracks is comparatively closed, and some officers and men in the border and plateau units still lag behind those in the open coastal areas in terms of personal feelings and viewpoints about reform and opening. We must face these shortcomings and differences, and adopt earnest and effective measures to strengthen education and propaganda for the units, to let the broad masses of officers and men have the ideology and understanding which can follow the situation of reform in the entire country.

#### Greatly Enlightened and Encouraged

"Greatly enlightened, greatly enriched, greatly educated, and greatly encouraged," Major Generals Liu Xilong and Jiang Hongquan, deputy commanders of Chengdu Military Region, used a series of "greatlys" to describe their excitement after returning from Shenzhen SEZ, Zhuhai SEZ, and the development zone in the Zhu Jiang Delta.

Liu Xilong, who was from the mountainous areas in eastern Guizhou, worked his way up from a soldier to a general, and always lived in the southwestern part of the country, and Jiang Hongquan, who joined the Army in 1945 and fought many battles in the north and south, has lived on the Tibetan Plateau for 40 years. They rarely travel to other places, and are truly "indigenous Eighth Route Army soldiers." They learned about the situation of construction of the SEZ's, the development of the coastal areas, and the great achievements in reform and

opening up only from television and radio. This time, arranged by the Central Military Commission, Liu Xilong and Jiang Hongquan boarded the southbound plane which carried the first group of visitors.

In Guangzhou, Shenzhen, Zhuhai, and the vast Zhu Jiang Delta, the generals enthusiastically visited factories and villages. Like "Grandmother Liu who has entered a wonderland," they were surprised by the things they saw. In the 12 years of reform and opening up, the Zhu Jiang Delta has undergone changes that have attracted attention from the whole world. Gross value of social products, GNP, and total industrial and agricultural output value, the four major economic indexes of national income, all achieved annual increases of 15-20 percent on average, and per capita income distributed by collectives is twice the per capita income for the whole country, while most people have a standard of living which is close to that of the general workers in Hong Kong and Macao.

Liu Xilong and Jiang Hongquan went to the revolving restaurant on the 53d floor of the International Trade Building in Shenzhen, gazed at the beautiful scene, and had all kinds of feelings. Eight years ago, Jiang Hongquan followed a visiting delegation of the Tibet Autonomous Regional Government to Shenzhen for a visit. At that time, Shenzhen was a SEZ which had just begun construction, and much of it was paddy fields, ponds, and idle land. Now, broad roads run here and there, and tall buildings stand side by side. "I had never expected this! I had never expected this! The development of Shenzhen proves a truth: Revolution is for liberating productive forces, and reform is also for liberating productive forces," Jiang Hongquan could not help saying to Liu Xilong.

Zhuhai, which is at the mouth of the Zhu Jiang, was originally a small fishing village. But now, the sandy beach has been turned into rows of high buildings, and the town of Jiuzhou, holiday resorts, and big hotels have changed the old scene of the fishing village. It is now a new coastal city flourishing with its production, trade, scientific and technological research, and tourism. Mayor Liang Guangda summarized their experience in a few words: "Be bold, get started, strengthen unity, improve efficiency, work vigorously, and proceed rapidly." The generals nodded and said: "This is the way to pursue socialism; with this spirit and vigor, can China not become rich?"

The rolling waves broke on the shore, and General Liu had many feelings while overlooking the scene from Gongbei Customs building. Macao was nearby, and there, clearly, was the Portuguese national flag, and the clothes and skirts hanging outside the buildings; only a wire fence separated two kinds of society. He was surprised to find that a huge purchasing army was coming over from the Macao Customs building, and that, men or women, young or old, they all came empty-handed, but returned with heavy and bulky bags. The relevant department could not but stipulate the quantity of pork,



seafood, clothes, and other products permitted to be carried out by those crossing the border in order to facilitate the state's macroeconomic regulation and control over import and export trade. He also discovered that the people in the SEZ were polite and law-abiding, and the society was stable and social order was good, that the past phenomenon of sneaking across the border rarely happens now, and 80 percent of crimes in the SEZ were committed by persons from the interior, as disclosed by the public security bureau. This young general, who is 43 years old but has already taken a leading post in a major military region, wrote in his diary: "A one-day tour of the SEZ is better than studying for 10 years; the construction of the SEZ is very convincing."

#### Remove the Ideological "Shackles"

The generals said: Some people worry that the establishment of SEZ's and foreign-funded enterprises means having "capitalism" as a surname. The best way to remove the ideological "shackles" is to visit the places.

When reporters interviewed Lieutenant General Zhang Gong, political commissar of Beijing Military Region, they discovered two "pictures for comparison." One has Zhuhai as a background, the other has Macao as a background. The pictures were taken from the roof of the Customs building during his visit. On the Macao side, high buildings stand side by side; on the Zhuhai side, high buildings also stand side by side.

"Very outstanding, Zhuhai took only 10 years to cover the distance which took an international city a century. You see, the scene in Zhuhai is not inferior in any way to the scene in Macao," Zhang Gong said.

At the Gongbei checkpoint, the personnel accompanying him pointed to the border area and said: In the past, in order to prevent our personnel from fleeing across the border, there was a wire fence, but even that could not stop them. At present, there is economic prosperity on our side, and not only has no one fled, but nearly 1,000 of those who fled in the past have returned to live here.

Zhang Gong said with feeling: "Poverty is not socialism, and the masses of people do not want socialism in poverty. We can have the correct answer to the question of whether the SEZ's have 'capitalism' or 'socialism' as a surname once we examine it through practice. When people come to the front of reform and opening up to see for themselves, they can easily break through the 'leftist' ideological gate and remove the 'leftist' influence."

Major General Huang Yunqiao, chief of staff of Beijing Military Region, inspected Jianghai Electronics Company Limited and Rongsheng Refrigerator Factory, and saw workers working busily on the production lines and the scene of strict management. Jianghai Company is an enterprise jointly run by the company management and Wuxi Radio Factory. The original factory had more than 2,000 workers, 11 factory-level cadres, and 150 middle-level cadres; at present, only one-third of the original workers are working in the factory, which has one-tenth

of the management personnel of the original factory, but the returns are twice those of the original factory. They pay attention to optimizing structure, practice strict scientific management, and stress a high degree of organizational discipline. After their visits, generals such as Huang Yunqiao think that since Army units are armed groups using a large amount of high-tech equipment, the experiences acquired by the SEZ's are worth borrowing for optimizing structure and practicing scientific management in the period of peaceful construction.

When the SEZ's have developed material civilization, will spiritual civilization diminish? After their visit, the generals feel that so long as we can grasp the principle of doing two kinds of work simultaneously, they can mutually promote each other.

Major General Cao Heqing, director of the political department of Beijing Military Region, described the grasping of the two civilizations in Shenzhen as "flying with both wings for 10,000 miles." He thought that although on the frontier of opening up there are many openings and possibilities for negative things to come in, and that when the window is open a few flies will inevitably come in, so long as the measures are effective, a few buzzing flies cannot affect the overall situation. Through comprehensive management and the fight against evil phenomena, the general situation of law and order in the SEZ's is good, and very few local people have committed crimes. This shows that so long as they can resolutely "do two kinds of work simultaneously," open areas also can clean up the environment, and that if it does not resolutely "do two kinds of work simultaneously," even the interior will experience deviation.

After returning from the SEZ's, the generals have enhanced their determination to escort socialist reform and opening up.

#### Double Support Activities Urged for '1 August'

OW1007114892 Beijing XINHUA Domestic Service  
in Chinese 0651 GMT 9 Jul 92

[Text] Beijing, 9 Jul (XINHUA)— The Ministry of Civil Affairs and the People's Liberation Army [PLA] General Political Department recently issued a notice calling on all localities to undertake activities to support the Army, to give preferential treatment to families of revolutionary soldiers and martyrs, and to support the government and cherish the people during the "1 August" period.

The notice says: The date 1 August this year is the 65th anniversary of the founding of the Chinese PLA. To commemorate this glorious occasion, the localities and troops should closely adhere to the directives and guidelines of the CPC Central Committee on strengthening Army-government and Army-people unity, and should extensively and profoundly undertake double support activities to further consolidate and develop the fine situation of Army- government and Army-people unity.

During the period, they should soundly perform and keep a firm grasp of the following tasks:

1. They should extensively conduct publicity and education to further strengthen the awareness of the Army and people to do well in double support work. All localities must be realistic and must use every method to extensively conduct education on national defense, patriotism, and support for the Army; must vigorously publicize the glorious achievements of the People's Army since its founding 65 years ago; must publicize the important position of the People's Army in safeguarding national security and stability; and must publicize the important role of the People's Army in "escorting" reform and opening up to the outside world in order that the cadres and the broad masses may further establish the concept of holding high the banner of patriotism and support for the Army while reform and opening up continue. All units must organize a suitable moment to educate the soldiers on the glorious tradition of supporting the government and cherishing the people; must vigorously publicize the fine condition in which double support work has thrived; must utilize the lively deeds performed by local party committees and governments at all levels in order to express concern and support for Army-building and to educate the soldiers; and must strengthen the awareness of cadres and soldiers to "love, emulate, and serve the people". The Army and the localities must fully utilize newspapers, radio and television stations, and other mass media to vigorously publicize the advanced models that have emerged during double support work in a bid to forge a strong bond between the Army and people, and to welcome the 50th anniversary of the Yanan Double Support Movement.

2. On the eve of "1 August" all localities and troops must seriously conduct a thorough inspection of double support work in accordance with the demand of the central authority on strengthening Army-government and Army-people unity, and must properly review and analyze activities for establishing model double support cities (counties). While affirming their success, they should seek out the weak links and should suggest measures for improvement so they can be further consolidated. All localities must fully seize the opportunity offered by the present double support work, must properly grasp the solution of key and difficult issues pertaining to the care of disabled servicemen and placement of discharged servicemen, and must strive to make new headway in this regard. They must carry out an extensive check on the implementation of policies for disabled and discharged servicemen, as well as the safety of military installations, and must treat it as a regular and important part of the activities for establishing model double support cities (counties). The Army and the localities must base themselves on the principle of unity-consultation-unity, and must properly deal with problems left over from history. All units must seriously analyze their participation in economic construction, and must work out programs that coordinate with voluntary labor days in order to perform a few convincing

deeds in the localities where they are based. Grass-roots units below the level of regiment must deeply check and enforce discipline in the localities, and must promptly resolve prevailing problems. Troops stationed in ethnic regions must seriously check the implementation of ethnic policies, and must educate cadres and soldiers to become models of Army-people and national unity.

3. They should adapt to the new situation of reform and opening up, and should constantly strengthen and improve double support work. Local governments at all levels must profoundly investigate and seriously study the new conditions and new problems facing the care of disabled servicemen and the placement of discharged servicemen during the new situation of reform and opening up; must educate disabled servicemen to actively participate in reform and opening up; must correctly deal with the adjustment of the relationship between different interests; and must take measures and draw up corresponding policies and regulations to truly protect the legal rights of disabled servicemen. They must adopt an earnest attitude to support efforts to reform and build the Army. They must do more in the areas of placing discharged servicemen, as well as re-assigned and retired cadres; in housing and jobs for their families; and in schooling for their children. The Army must teach its cadres, soldiers, workers, and their dependents to take the overall situation into consideration, to actively support reforms in the localities, and to make new contributions toward the acceleration of reform and economic development.

4. They should take a realistic approach and should organize colorful relaxation and fraternization activities. All localities may organize elite comfort troupes (groups) to call on troops stationed at the frontier, on islands, and in outlying areas. At the same time, they should comfort the families of martyrs, revolutionary disabled servicemen, recuperating servicemen, and retired cadres. They must fully exercise the role played by ground-level organizations for supporting the Army and their families, and must conduct in-depth mass activities in this regard. Provincial military districts must organize and mobilize the militia to take the lead in supporting the Army and their families. All troops must actively undertake activities to provide convenience to the people, and must organize small-scale get-togethers of soldiers and civilians. All such activities should be economical and simple, and should focus on effectiveness.

#### **Guangdong Holds Meeting on Double Support Drive**

##### **Zhu Senlin Speaks**

*HK1407071492 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 4 Jul 92*

[Text] This morning heads of leading groups for the double support drive in various cities across the province were invited to a work meeting.



Zhu Senlin, governor and head of the provincial leading group for the double support drive, gave a speech at the meeting.

Zhu Senlin said: Over the last year, leading groups for the double support drive at all levels throughout the province have conscientiously implemented the spirit of the national meeting on the double support drive and have done a great amount of fruitful work, thus developing a prevailing custom by which everyone considers it his glorious duty to contribute to the double support drive and to safeguard Army-people and Army-government unity. Especially since various localities carried out activities to select cities which have distinguished themselves in the double support drive, the double support drive province-wide has clearly been pushed to a higher level as a whole. Another breakthrough has been made in our efforts to solve the [words indistinct] problems left over by history. All this shows that the situation with regard to the double support drive in this province is really gratifying.

Zhu Senlin called on leading groups for the double support drive at all levels across the province to strengthen leadership over the work, carry out more investigations into the double support drive, provide effective guidance for the work, and check up on the work frequently so as to raise Guangdong's double support drive to a still higher level.

#### Xie Fei Attends, Addresses Meeting

HK1407043392 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 5 Jul 92

[Text] A meeting attended by chiefs of the double support leading groups from various cities throughout the province ended in Guangzhou this afternoon. Xie Fei, secretary of the provincial CPC committee; Zhu Dunfa, commander of the Guangzhou Military Region; and Ling Botang, provincial vice governor and deputy head of the provincial leading group for the double support work, attended and addressed the meeting. The meeting pointed out: A staunch Army-government and Army-civilian unity is an important guarantee for the state's lengthy and peaceful reign and for stable social development. This is also an important factor contributing to the fact that, in recent years, our province has been so attractive to foreign businessmen, has made such tremendous achievements in economic construction, and is stable politically and socially, and that our people are reassured.

Troops stationed in our province, public security forces, armed police forces, frontier guards, and reserve forces are the great wall and cornerstone for maintaining such stability. At present, our province is speeding up its pace of reform, opening up, and economic construction. It is more necessary for us to further strengthen Army-civilian relations which are as close as fish and water, and the links between economic construction and national defense buildup.

#### Second Artillery Corps Helps Beijing Development

HK1507055092 Beijing RENMIN RIBAO in Chinese 2 Jul 92 p 3

[By Jin Guoyou (6855 0948 0645): "PLA Second Artillery Corps Gives Enthusiastic Support to Beijing's Construction"]

[Text] Since 1987, organs of the People's Liberation Army [PLA] Second Artillery Corps Headquarters and its troops stationed in Beijing have always upheld and carried forward the PLA's fine traditions and closely rallied around the central task by launching campaigns to support the government and cherish the people, thus promoting the capital's economic development and troop modernization.

In recent years, to support the capital's construction, they have spent over 100,000 labor days, made over 5,000 trips by vehicle, and spent 380,000 yuan in aid expenditure. Moreover, they have vigorously launched campaigns for tree planting, afforestation, and improving the environment in the downtown area. Since last year, they have planted over 70,000 trees, dug 85,120 tree holes, made 12,000 square meters of lawn, leveled over 20 mu of land, and cleared and removed 37,000 tons of garbage. In the meantime, they have ardently launched Help-the-People and Love-the-People campaigns, doing good things for the masses on their own initiative. Since 1990, they have organized 18 large-scale Facilitate-the-People activities and over 500 small-scale activities, introducing over 50 services including repairing and counselling. Some 18,000 people have participated in these activities and 95,000 people have benefited from them.

#### Economic & Agricultural

#### State Council May Revise 1991-95 Growth Rate

OW1607072892 Beijing XINHUA in English 0721 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—State Council Spokesman Yuan Mu said here today that the Chinese Government is considering revising its Eighth Five-Year Plan (1991-1995) and changing the planned economic growth rate from the present six percent to nine percent or ten percent.

Yuan told a press conference that in the past 13 years the average growth rate of the Chinese national economy was nine percent, and the rate this year is expected to reach around 10 percent.

"We expect the growth rate of China's gross national product to reach nine to ten percent before the end of this century," he said.

Yuan explained that the government is soliciting opinions widely—from government departments, enterprises, economic management sectors, economists and research institutes—regarding the revision of the growth rate.

Upon reaching a consensus, a proposal on the speeding up of the national economy will be submitted for deliberation to the National People's Congress (NPC), the spokesman noted.

He confirmed for the first time the recent remarks of Deng Xiaoping regarding China's economic growth rate. He said, "Deng Xiaoping has expressed his opinion that the six-percent growth rate is a bit low and should be higher, but he did not say how high it should be."

Yuan explained that the six-percent growth rate plan was worked out last year, just before the three-year economic rectification came to an end. At that time, Yuan said, there were still economic difficulties, and the relations between different sectors had yet been straightened out. [sentence as received]

Another consideration then, he said, was that with a six-percent growth rate, China will be able to realize its second-stage strategic goal of redoubling the country's 1990 gross national product by the end of this century. This plan has been approved by the NPC.

Yuan continued that, in wake of the new changes in the domestic and international situation, the six-percent growth rate can well be surpassed. "This was proved by China's experience in the first half of this year," he said, "and this year's growth rate will reach nine percent or ten percent."

However, he pointed out, this growth rate is on a national scale, and the places with good conditions have reason to be quicker in their development while others still lacking these conditions can go at a slower speed.

"It is normal that there will be some gaps between the making of plans and the results of the plans' implementation," he stressed.

Answering questions on the possibility of an overheating of the Chinese economy, Yuan said the 30 percent growth rate of fixed asset investment from January to June appeared to be somewhat high.

However, he explained, the rapid growth in fixed-assets investment took place after the continued low growth of the sector in the past couple of years; now it is striving to recuperate and this will prove conducive to China's economic health. "The trend is quite positive," Yuan said.

He said that, in general, China's present economic strength is able to support the current growth and scale of the national economy. He said that attention should be paid to avoiding blindly expanding capital construction and the danger of inflation.

### Opening of Border Areas Changes National Pattern

HK1507120392 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0710 GMT 6 Jul 92

[By reporter Zhao Shengyu (6392 0524 3768): "Opening Border Areas to Outside World—Important Change in China's Open Pattern"]

[Text] Beijing, 6 July (ZHONGGUO XINWEN SHE)—The vigorous rise of the upsurge of opening to the outside world in the border areas has broken through the original conception of "east, central, west" development strategy, which made the vast western region inhabited by minority nationalities at the "extreme edge" of opening up become, in a single bound, a reform and open forward position, and give full play to its abilities on the arena of reform and opening up. This has also made China's open pattern undergo a tremendous change.

Although the population of the ethnic minority regions only accounts for 14 percent of China's total population, yet the area of land on which they live makes up 64 percent of the country's territory. These regions are rather rich in natural resources. Xinjiang's petroleum and natural gas, Inner Mongolia's rare earth and coal, Guangxi and Yunnan's rare metals, and the entire western region's water resources, those of the south-western region in particular, can be rated as the highest in the entire country.

Public opinion holds that the economic development of the western ethnic minority region is of vital importance not only to the enhancement of China's actual strength as a whole, but also to the country's stability, growth, and subsistence.

In a certain sense, the further growth of China's economic development hinges, to a great extent, on the development and utilization of the natural resources in the ethnic minority regions.

The opening of the border areas is undoubtedly a shortcut to invigorating the economy of the regions inhabited by minority nationalities, and increasing the actual strength of China's economy as a whole.

It is not difficult to note that the implementation of "opening border areas" is first benefited by continuous in-depth reform and opening wider to the outside. The Chinese Government recently announced that Xiangjiang's Tacheng, Bole, and Yining; Inner Mongolia's Manzhouli; Heilongjiang's Heihe; Guangxi's Fengxiang and Dongxing; and all the capitals of the border provinces and autonomous regions were open cities, which would enjoy the same preferential policies as the coastal regions. This has sufficiently indicated the determination of the Chinese Government on the implementation of "opening border areas."

Moreover, the unique geographical superiority and the drastic changes in the peripheral countries also provided material and external conditions for "opening border areas" and the change in China's open pattern.

China's interior contiguous provinces and autonomous regions are bounded by Korea, Russia, Mongolia, Kazakhstan, Uzbekistan, Kyrgyzstan, Afghanistan, Pakistan, India, Nepal, Burma, Laos, and Vietnam. Many nationalities are of the same ethnic origins as residents outside the borders, with the same languages and similar customs, who have been carrying on border trade since ancient times.

At the beginning of reform and opening up, China practiced an "east, central, west" development strategy. For historical reasons, the western region lagged behind the eastern and central regions. After 10 years of reform and opening up, the gap between the east and west has become even greater as a result of the high-speed economic development of the coastal regions and the relatively slow economic development of the interior provinces and autonomous regions.

To extricate themselves from this extremely unfavorable situation, the western provinces and autonomous regions urgently desired to find an outlet in order to keep pace with the coastal open regions. This has provided internal condition for China's implementation of "opening border areas" and the change in its open pattern.

Facts have proved that over the past few years, through the outlet of border trade, the contiguous areas have widely conducted lateral economic association with the hinterland, particularly with the coastal regions, and incrementally formed a northern open region intended mainly for Russia, Mongolia, and eastern Europe; a western open region intended for Pakistan, and countries in West Asia; and a southern open region intended for India, Nepal, Burma, Laos, Vietnam, and Bangladesh.

The implementation of opening border areas will at least bring about the following benefits to China:

First, it is beneficial to the economic prosperity and stability in the regions inhabited by minority nationalities.

Second, it is conducive to narrowing the gap between eastern and western regions.

Third, the opening of the border areas has brought tremendous changes in China's open pattern which has become still more rational. The border region now works in concert with the coastal region echoing each other from afar, thus enabling China's economy to bring about a new omnidirectional pattern characterized by a two-way open structure between east and west as well as a mutually complementary layout between north and south.

#### Article Views Chang Delta's Internationalization

HK1507143092 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 1 Jul 92 p 2

[XINHUA article by Lu Guoyuan (7120 0948 0337) and Zhang Weidi (1728 0251 1717): "Golden Triangle Heading for Outside World—Roundup on Opening-Up of Chang Jiang Delta"]

[Text] Massive development and opening up has enabled Chang Jiang Delta, China's most economically developed area, to gradually materialize its internationalization program. More than 4,000 foreign-funded enterprises have brought in huge funds and advanced technology and management technique; stable economic and trade relations that this region has built with more than 140 countries and areas in the world have substantially enhanced its ability to participate in international exchange; and more than 150 transnational enterprises that this region has set up in more than 10 countries enable it to display its industrial superiority abroad.

All signs indicate that Chang Jiang Delta, as a product market and an intensively industrialized belt, is speeding up the process of merging with international economy. In this connection, analysts pointed out: In the 1990's, this region as a promising area for investment, will become a focus in China's program of opening up to the outside world.

At present, a large number of international consortia are swarming into this region. Huge investments by world renowned transnational corporations, increase in large-scale foreign-funded high-tech projects, additional registered capital contributed by more and more foreign businessmen, extension of terms of joint ventures and cooperative projects, all the encouraging developments are more convincingly proved that Chang Jiang Delta has a boundless future in its efforts of opening up to the outside world.

About 6,000 years ago, Chang Jiang Delta took shape after a long, continuous alluviation process. This area, which is composed of Shanghai municipality, seven cities of Jiangsu Province, and six cities of Zhejiang Province is one of China's important source of national financial revenue and foreign exchange earning. With an area equal to merely 1 percent of the country's total area, Chang Jiang Delta contributes one-fifth of the country's gross output value and one-fifth of the country's foreign exchange earning derived from export trade.

Economic experts believe that Chang Jiang Delta is one of the very few places in the world that enjoy comprehensive superiority.

In 1984, Shanghai, Ningbo, and Nantong in Chang Jiang Delta were granted the status of open coastal cities, a series of areas enjoying special policies were established, including Minhang economic and technological development zone, Caohejing development zone, and Hongqiao development zone in Shanghai municipality, as well as Ningbo development zone and Nantong development zone. After that Chang Jiang Delta as a whole has been listed as an area opening up to the outside world. In 1990, the central authorities announced the establishment of a new open zone—Pudong new development zone in Shanghai, and decided to make this project a key part of China's economic development strategy for the 1990's. Upon this announcement Chang Jiang Delta began to march on the world.



In only 10 years, Chang Jiang Delta has managed to achieve a drastic boom of the export-oriented economy, being backed up by its strong economic force. According to incomplete statistics, so far this region has drawn in more than \$5 billion of foreign funds in the aggregate, and Shanghai Municipality alone has secured \$3.33 billion of foreign funds. What is still more encouraging is that foreign businessmen have shown keen interests in starting investments in this region, and there has been an unprecedented upsurge of investments since 1991. In the year 1991 alone, a total of 1,138 new foreign-funded enterprises were established, and the number exceeded the total number of enterprises established in the previous few years. In the same year, a total of 585 foreign-funded enterprises were established in Zhejiang Province, and the value of capital involved in foreign-funded project contracts increased by 240 percent over the previous year. For Shanghai Municipality, the number of newly approved foreign-funded enterprises totaled 365, which hit a record high in the past 12 years.

Chang Jiang Delta differs from other open cities of China in that this region has attached full importance to its own regional superiority when introducing foreign funds and expanding international exchange. By doing so, this region has used its more advanced industrial structure and technological standards to directly serve the overseas market, doing everything possible to push the opening up process in depth, in breadth, and in terms of technical standard. It shows some prominent features and patterns.

Foreign-funded projects started here are large in size. In 1991 alone, 28 new large-sized productive projects with a gross investment value of more than \$5 million each were started, and the value of capital derived from foreign-funded project contracts totalled \$118 million. These investments from developed Western countries have brought in advanced technology, equipment, and technological production processes. In Jiangsu Province, which serves as one of China's economic mainstay, nowadays there have been 107 foreign-funded projects with a gross investment value of over \$5 million each, among them 17 projects involve a gross investment value of more than \$10 million each, and most of them are running high and new technology industries.

Investors are resourceful. At present, transnational companies and international consortia from the United States, Japan, Germany, Sweden, and the United Kingdom are very active in making investments in Chang Jiang Delta. In 1991, Japanese interests topped other investors with regard to direct investments in Shanghai, with a total investment value of \$130 million. More than 40 enterprises in Shanghai are being run by world renowned transnational companies. In 1991 alone, Japanese investors set up 82 enterprises in Jiangsu province.

Authoritative sources predict that the pluralization and regionalization of the world economy, the relaxation of economic control in China, and especially the shifting of

focus of in-depth reform and expanding opening up toward the Chang Jiang basin, will help keep up the upsurge of foreign investments in Chang Jiang Delta for a relatively long time, thus speeding up the economic internationalization process of this region which is to be developing to a still larger extent.

### Ministry Predicts Faster Retail Sales Jun-Dec

OW1507085592 Beijing XINHUA in English  
0842 GMT 15 Jul 92

[Text] Beijing, July 15 (XINHUA)—Domestic retail sales, which jumped by 14.4 percent in the first half of this year over the same period of last year, will see a faster increase in the second half of this year, according to China's Ministry of Commerce.

The ministry estimated that the total volume of China's retail sales in the second half of this year will be over 556.5 billion yuan, 1.3 percent higher than in the first half.

Experts commented that the total investment increase is expected to be accelerated as the localities are enthusiastic about construction project. This can speed up the increase rate in the related sectors, bringing about an increase in workers' income, they explained.

Meanwhile, the favorable agricultural situation, particularly bumper harvests of grain and cotton and a rise in sales prices of farm and sideline products will also result in an increase in farmers' incomes. This may be another factor in accelerated retail sales.

According to commerce officials, China's domestic market is expected to see steady increases in sales of grain, pigs and vegetable oil. Color and black-and-white TV sets, refrigerators and washing machines will also sell better than in the first half of this year, official estimates noted.

### HK, Singapore Investors Form Venture With Store

OW1507133892 Beijing XINHUA in English  
1319 GMT 15 Jul 92

[Text] Hangzhou, July 15 (XINHUA)—The Jiefanglu Department Store in Hangzhou city, Zhejiang Province, one of the country's top ten department stores, recently received approval to form a joint venture retail company with investors from Hong Kong and Singapore.

The new venture, the Jiefanglu Department Store Corporation Ltd. of Hangzhou, which will be jointly funded by the department store and overseas investors, will be developed in two phases. First phase construction, which is expected to cost 10 million U.S. dollars, will involve doubling the current store's floor space to 12,000 square meters. The second phase will include the construction of 9,000 square meter multi-functional commercial tower.

The department store, which has highest retail sales volume in Zhejiang, will become the first retailer in the province to form a joint venture with overseas investors.

#### Construction Materials Sales Increase Jan-Jun

OW1407172692 Beijing XINHUA Domestic Service  
in Chinese 0637 GMT 14 Jul 92

[By reporter Xu Kehong (1776 0344 3163)]

[Text] Beijing, 14 July (XINHUA)—The market for China's construction materials has never been so active before during this first half of the year—this used to be the slack season. The brisk business also promoted production of construction materials. Statistics show that the output of construction materials during the first six months was nearly 20 percent higher than the same period last year, the inventory of processed goods decreased substantially, and market prices also picked up slightly.

While sales of construction materials during the first quarter of the year used to be low in the past, business this year had never been so active. The performance of the nation's 50 construction materials supply and marketing companies shows that their sales increased 30 to 50 percent over the same period last year. The situation in the second quarter was even better. Sales of all types of construction materials were brisk. Cement producers, in particular, were unable to meet supply owing to the great demand. Instead of having inadequate production quotas as was the case in the past several years, the sales of manufacturers of equipment for processing construction materials during the first quarter increased over 60 percent over the same period last year. Some manufacturers already have signed production contracts for the whole year. Sales of plate glass and decorative and repairing materials also increased substantially over the same period last year. Sales on the international market also improved. The amount of foreign exchange earned from the export of construction materials during the January-April period increased 21 percent over the same period last year.

Because of higher market demand, the output of construction materials increased noticeably during the first six months. The output of cement reached 133.5 million tonnes, or about 20 percent higher than the same period last year; the output of plate glass reached 44.6 million crates [zhong liang xiang 6850 6852 4630], an increase of six percent over the same period last year; and the output of 19 of 24 other major types of construction materials increased.

What is encouraging is that, even though the output of construction materials increased during the first six months, the inventory of all kinds of processed construction materials decreased. The inventory of 12 large and medium-size enterprises during the January-May period was nearly one-third lower than the same period last year. Statistics from 39 construction materials enterprises show that, compared with the same period last

year, the amount of capital tied up by processed goods decreased by approximately seven percent.

#### Foreign Exchange Reserves Reach \$42.6 Billion

HK1507112992 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0802 GMT 15 Jul 92

[Text] Beijing, 15 Jul (ZHONGGUO TONGXUN SHE)—According to China's State Administration of Exchange Control, by the end of 1991, China's foreign exchange reserves have reached \$42.66 billion.

Today, ZHONGHUA GONGSHANG SHIBAO [CHINA INDUSTRIAL AND COMMERCIAL TIMES] reported that last year, China's imports and exports both increased substantially. The volume of exports amounted to \$58.92 billion and imports amounted to \$50.18 billion. Foreign exchange income from tourism amounted to \$2.84 billion, which was 26.4 percent higher than the all-time high in 1988. Direct investment by foreign investors amounted to \$4.37 billion.

Reportedly, by the end of last year, China's foreign exchange reserves amounted to \$42.66 billion, which was an increase of \$14.07 billion over the previous year. A noteworthy fact was that the reserves include \$20.95 billion of outstanding balances in bank foreign currency accounts, so the state's foreign exchange reserves actually amount to \$21.71 billion.

#### Minister Urges Guizhou Resources Exploitation

HK1607043692 Guangzhou Guangdong People's Radio  
Network in Mandarin 2300 GMT 8 Jul 92

[Text] Light Industry Minister Zeng Xianlin and Vice Minister (Duan Tengfa) recently came to Guizhou on an inspection tour and exchanged views with provincial party committee Secretary Liu Zhengwei and Governor Wang Chaowen on Guizhou's light industrial development.

Minister Zeng Xianlin and his party went to Anshun Prefecture, Guiyang city, and Zunyi Prefecture to inspect more than 10 enterprises, including a winery, a chemical plant producing items for daily use, a leather plant, a plastics factory, and a wax printing plant.

During the inspection, Minister Zeng said: Products developed by Guizhou by exploiting its actual conditions and its advantages in natural resources, including wax-printing products, leather products, cosmetics for daily use, and brand-name quality wines, bear certain characteristics. These products will be marketable in more and more places. Guizhou is rich in phosphorus, aluminum, and coal mines and many other resources of wild animals and rare medicinal herbs, thus providing a fairly good external environment for developing light industry. The present task is to transfer natural resources advantages into product advantages. We should have a broad vision in building up new light industrial enterprises or in transforming old ones and orient our plans to the development trend of the 21st century.

### Farm Contract System Not Same as Parcelling Land

HK1607035892 Beijing JIEFANGJUN BAO in Chinese  
1 Jul 92 p 3

[Article by Pan Shaolong (3382 4801 7893) and Wu Zengyan (0702 1073 3508): "Does Implementation of the Contract Responsibility System on a Household Basis With Remuneration Linked to Output in China's Rural Areas Mean 'Parcelling Out Land for Individual Farming?'" ]

[Text] Ten years have passed since the contract responsibility system on a household basis with remuneration linked to output was universally implemented in China's rural areas. This is a pioneering undertaking of the peasants, who have been plunging themselves into the great cause of reform and opening up to the outside world, and the self-improvement and development of the socialist collective economy. Nevertheless, for many years, some people have always mistaken the contract responsibility system on a household basis for "parcelling out land for individual farming" or regarded it as an "expedient measure" to solve the peasants' food and clothing problems. Thus they would always be impatient to change it. The "Decision on Further Strengthening Agriculture and Rural Work" adopted by the Eighth Plenary Session of the 13th CPC Central Committee once again stressed: "Household contract operation does not mean 'parcelling out land for individual farming.'" Nor does collective unified operation mean "turning everything to big collectives," thus clearly defining the fundamental difference between the contract responsibility system on a household basis and "parcelling out land for individual farming."

First, implementing the contract responsibility system on a household basis with remuneration linked to output is aimed at changing the forms of managing the collective economy rather than "parcelling out land" (changing ownership). What household contractors have under the system is the right to operate land and make their own decisions on production rather than the right to own the land. The basic means of production, such as land, are still owned by the collective. As the owner of land, the collective not only wholly decides the contracting and use of land and exercise effective macroeconomic management over household contract operations, but also participates in the distribution of peasant households' income to strengthen the collective economy. Peasant household contract operation is aimed at just changing the old operational and management forms of the previous people's commune system, under which work was carried out in a centralized way, egalitarian distribution prevailed, and the peasants did not have any decision-making power. Although the peasants now have the right to directly use the land, they have the responsibility to uphold the public ownership of land, which they are not permitted to trade, lease, or leave uncultivated, and to work their land and hand their farm products over to the state under the guidance of state plans. Although the peasants have the right to enjoy the

use of the above-quota products, they also have the responsibility to "hand over the fixed amount of output originally agreed upon to the state and the collective to the full." All this will do good rather than harm to the interests of the state and the collective. Lenin said: "The basic principle of management is that a person should hold himself fully responsible for the specific work of which he takes charge. The contract responsibility system on a household basis with remuneration linked to output precisely adheres to this basic Marxist principle."

Second, implementing the contract responsibility system on a household basis with remuneration linked to output refers to household contract operation under the guidance of collective unified operation rather than "individual farming." As far as the basic system of China's rural collective economic organizations is concerned, a contract responsibility system on a household basis with remuneration linked to output is practiced, under which a two-faceted operation structure, combining unified and separate management, is established. Household contract operation is a separate management facet of the socialist collective agriculture, which is regulated and managed by the collective unified management facet and supported by the unified socialized service. It carries out production and operation under the operation mechanism's guidance combining the state planned economy and market regulation. As the rural economy develops, household contract operation cannot all the more be separated from collective unified operation. Some things cannot be undertaken or undertaken well by a single household. This being the case, the rural collective economic organizations should strive to undertake the things in accordance with the people's demands, such as running township and town enterprises, building large water conservancy projects, and developing an agricultural socialized service system. Only when the substance of collective unified operation is gradually condensed on the basis of stable household contract operation can we provide household contract operation with a powerful support, pump new vitality into it, and promote the common development and prosperity of all the peasant households. In essence, the household contract responsibility system is itself the combination of unified and separate management. Its real connotation is that the peasant households operate the collective's means of production, such as land, according to contracts and the collective directs and manages household operation through the land and other means of production which it owns. There is a difference of principle between this practice and the previous "individual farming" based on the individual economy characterized by small-scale production.

In a word, the contract responsibility system on a household basis with remuneration linked to output is socialist and not capitalist in nature. Practice has proved that the decade since the universal implementation of the contract responsibility system on a household basis with remuneration linked to output in China's rural areas is a decade which witnessed the fastest development of



China's rural economy, the greatest expansion of the collective economy, and the most conspicuous improvement of the peasants' standard of living. Now, over 90 percent of the peasant population has no problems with food or clothing and more than half of this population has built new houses. All this shows that implementing the contract responsibility system on a household basis with remuneration linked to output has energized rather than weakened the rural collective economy and has opened a new situation of common prosperity for hundreds of millions of peasants rather than led the peasants to "polarization." We should keep this system stable for a long time and gradually improve it.

**'Serious' Drought in North; Flooding in South**

OW1607105492 Beijing XINHUA in English  
0922 GMT 16 Jul 92

[Text] Beijing, July 16 (XINHUA)—Northern Chinese provinces along the Yellow, Huaihe and Haihe rivers, all among China's seven largest rivers, are suffering from serious drought while floods have caused losses of over 15 billion yuan, a spokesman for the State Flood Control Headquarters (SFCH) said today.

He said some 18 million ha of farmland, or roughly one fifth of China's total farmland, are affected by drought, particularly in the provinces of Shandong, Henan, Jiangsu, Shanxi, Hebei and Shaanxi and the Inner Mongolia Autonomous Region.

At present, the cities along the lower and middle reaches of the Yellow River, China's second-longest, are suffering from acute shortages of drinking water because of the drought.

According to the SFCH, the Minjiang River in the east China province of Fujian has been hit by the extremely serious flood since the founding of New China in 1949 and the upper section of Zhejiang's Qiantang River, Jiangxi's Xinjiang River and Guangxi's Lijiang River have suffered their second-worst floods since 1949.

With joint efforts by local residents and soldiers, the economic losses were minimized, the SFCH official said.

Now, the rain belt has shifted north of the Yangtze River and south of the Yellow River.

### East Region

#### 20,000 Soldiers Fighting Floods in East Provinces

OW1407134792 Beijing XINHUA in English  
1330 GMT 14 Jul 92

[Text] Nanjing, July 14 (XINHUA)—Soldiers have helped evacuate more than 35,000 people and saved 1 million tons of goods from the floods sweeping the eastern provinces of Zhejiang, Jiangxi and Fujian during the last two weeks.

The People's Liberation Army ordered 20,000 troops to the flood zone to help in the rescue work and reinforce dykes and dams and repair 40 kilometers of rail lines.

The floods started at the beginning of this month following severe rainstorms.

By July 5 more than 60,000 people in 98 villages in Luobu and Yangbu Townships in Zhejiang Province's Jinhua County were besieged by floods. The Army reached them with relief supplies.

The flood peak reached Fuzhou city, capital of Fujian Province, on July 7 when the water level surpassed the warning mark by 3.3 meters. Nearly 10,000 soldiers rushed to reinforce dykes and dams.

In Lanxi, a developing industrial city in Zhejiang Province, over 10 rural enterprises were affected by the floods. Soldiers helped save some property.

#### Shandong Secretary at Meetings of Weihai, Yantai

SK1507231092 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 3 Jul 92

[Text] On 1 and 2 July Jiang Chunyun, secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; Li Chunting, deputy secretary of the provincial party committee and vice governor of the province; and Han Xikai, Standing Committee member and secretary general of the provincial party committee; who were accompanied by comrades from relevant provincial-level organs, went to the cities of Weihai and Yantai to hold on-the-spot work meetings. The purpose was to emphatically examine the work done by these cities in implementing the spirit of the important speeches of Comrade Deng Xiaoping and the relevant directives issued by the central authorities and to discuss how to seize the opportunity to accelerate the pace of reform and opening up so as to enable economic construction to score a new breakthrough and be improved to a new level as soon as possible.

During the meetings, Comrade Jiang Chunyun delivered important speeches. Responsible comrades, including Zhao Zhihao and Li Chunting, also spoke to give important opinions.

It was noted at the meetings that during the previous period, the cities of Weihai and Yantai achieved good

development in implementing the spirit of the important speeches of Comrade Deng Xiaoping and the plenary session of the CPC Central Committee's Political Bureau, thanks to the efforts of the units from top to bottom throughout these cities, which stressed, discussed, and pushed forward the programs of reform and opening up.

It was stressed at the meetings that efforts should be made to continuously maintain the good trend of development, strive to make a new breakthrough in various undertakings, and score new and still greater achievements.

Demands adopted at the meetings were as follows: 1) The targets to be attained and the strategic emphasis in the future should be more positive and accurate. Localities that have the ability should achieve a development that is not conventional and should develop by leaps and bounds. In line with the important speeches of Comrade Deng Xiaoping and the important speech made by Comrade Jiang Zemin at the Central Party School, the provincial party committee and the provincial People's Government have reconsidered and readjusted the targets and strategy of economic development in the future. The general guiding ideology is to seize the opportunity, accelerate development, and strive to prefill the 300-percent-increase economic plan. As the cities of Qingdao, Yantai, and Weihai are at the forefront of opening to the outside world, they should and are totally able to achieve faster and better development in this regard; and they should play a leading role throughout the province. They should have the courage to experiment, blaze new trails, and advance in doing the things that help develop productive forces, enhance the overall national strength, and bring about a better living standard; and they should achieve the fastest possible development in producing the goods that are of fine quality, create good economic results, and enjoy brisk sales when exported.

2) A better job should be done in emancipating minds. All localities should continuously and successfully hold mass discussions on emancipating minds; eliminate the leftist ideological influence, outdated traditional concepts, and ideological fetters of small-scale production; and clarify the confusion about socialism and capitalism so as to more successfully unify the thinking of the people and to promote the steady development of the economy by emancipating the mind further.

3) To vigorously readjust the structure of the economy, it is imperative to make a great determination, adopt large-scale measures, and take a big step. In line with the demand for developing high-yield and high-efficient agriculture, and on the premise of ensuring the stable increase of grain output, we should accelerate the development of cash crops with high value; the undertakings of forestry, animal husbandry, sideline production, and fishery; and the processing industry. Through the readjustment of the industrial structure, we should vigorously develop the products with high additional value



and high technological content which can earn a great amount of foreign exchange and enjoy brisk sales in markets so that more of our products can enter international markets. As the tertiary industry is a weak link in the province, we should place it in a more important position, attach more importance to it, and give more support to it. The state-run commercial enterprises should seek development by conducting reform and relax the restrictions in the four fields comprehensively.

4) Efforts should be made to accelerate the pace of reform. We should unswervingly carry out the reform in the three systems of the state-run enterprises. The reform of the enterprises engaged in commodity circulation characterized by the relaxation of restrictions in the four fields should be carried out on a broader scale, and a bigger step should be taken in it. In conducting organizational reform, organizations at county and township levels should chiefly shift their functions, establish economic entities, and do a good job in rendering services. In 1992 they should conduct the reform step by step and extend it next year. Units at the provincial and city or prefectural levels should also experiment and make a step forward in the organizational reform and in establishing economic entities.

5) Efforts should be made to make earnest efforts in reform and carry out practical work for it so as to deal with the existing prominent problems. Units at all levels should make realistic efforts, do practical work, refrain from giving empty talks, and vigorously implement various work. In agriculture, we should currently do a good job in combating the drought, muster all manpower and material resources, and adopt every possible means to ensure sowing and the protection of seedlings. Meanwhile, a good job should be done in actively making preparations for preventing serious flooding and water-logging. Industrial enterprises should emphatically do a good job in technical transformation and managerial improvement so that their improvement reaches a new grade or level. The fund shortage is currently the prominent problem in economic development. Therefore, we should chiefly keep grass-roots units and domestic units in view when raising funds and adopt every possible means to collect scattered and idle funds through multiple channels. As for trained personnel, we should intensify the training and actively bring in both Chinese and foreign specialized personnel, particularly those specialized in high and new technologies.

6) Continuous efforts should be made to simultaneously conduct reform, open to the outside world, relax restrictions, and enliven the economy; to pay attention to and strengthen the building of spiritual civilization; and to fulfill all our tasks and work satisfactorily.

During the meetings, some specific issues put forward by the two cities were also discussed and resolved.

#### **Shandong CPPCC Standing Committee Meeting Ends**

*SK1507151492 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 13 Jul 92*

[Text] The 22d Standing Committee meeting of the sixth Shandong Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ended in Jinan on the afternoon of 13 July after all items on meeting's agenda were satisfactorily accomplished.

Over the past few days, the members participating in the meeting continued to deeply study the guidelines of the plenary session of the Political Bureau of the CPC Central Committee, the important speeches made by Comrade Deng Xiaoping during his inspections in southern China, and the important speeches made by Comrade Jiang Zemin at the Central Party School.

The participants unanimously maintained that Comrade Deng Xiaoping's important speeches and Comrade Jiang Zemin's important speeches made at the Central Party School reflect brilliant prospects for reform, opening, and economic construction.

At the conclusion of the meeting, Lu Maozeng, vice chairman of the provincial CPPCC committee, also made a speech entitled, "Emancipate the Mind, Positively Engage in Reform and Opening, and Make New Contributions to Accelerating the Pace of Reform, Opening, and Economic Development."

As for improving the CPPCC's work under the new situation, Lu Maozeng pointed out: We should persistently give priority to emancipating the mind and upgrading our understanding, seek unity of thinking on some major issues, take the guidelines of Comrade Deng Xiaoping's important speeches as a guidance, and positively explore new concepts of CPPCC work.

Lu Maozeng stressed: We should organize CPPCC members to positively participate in consultation and decisionmaking on some major issues; conduct special investigations on some multilayered issues regarding reform, opening, and economic construction; vigorously launch the campaign of consultation, providing service, discussion, and appraisal; strengthen the work of introducing foreign investment and establishing lateral ties at home; focus our efforts on implementing the state and local major policies and regulations; do a good job in investigations; and enthusiastically enter the major battlefield of economic construction.

The meeting participants decided to appoint (Ma Guanghua) as deputy secretary general of the sixth provincial CPPCC Committee, (Sun Qingming) as chairman of the Dezhou Prefectural work committee, and (Yan Ting-shen) as chairman of the Liaocheng Prefectural work committee. The meeting participants also approved some other appointments and removals.

Zhou Zhenxing, vice chairman of the provincial CPPCC committee, chaired the meeting. Present at the closing ceremony were Chairman Li Zichao, Vice Chairmen Xu

Wenyuan, Kong Lingren, Ding Fangming, Zheng Weimin, Jin Baozhen, Wu Minggang, Wang Zunong, Su Yingheng, and Miao Yongming.

### Shanghai Iron, Steel Output Increases in 1992

OW1507141292 Beijing XINHUA in English  
1401 GMT 15 Jul 92

[Text] Shanghai, July 15 (XINHUA)—In the first half of this year, the iron and steel industry of Shanghai, China's leading industrial center, achieved 535 million yuan in taxes and profits, up 33.7 percent over the same period of last year.

During the period, steel output of the metallurgical industry in the metropolis reached 2.79 million tons, and rolled steel output hit 2.8 million tons, 2.7 percent and 13.7 percent higher over the same period of 1991, respectively. Sales income of the industry recorded 7.12 billion yuan, registering a 30 percent increase over the corresponding period of last year.

Technical upgrading is reported to have contributed greatly to the recovered production of the industry. During the Seventh Five-Year Plan (1986-90) period, the sector invested two billion yuan to conduct 10 major technical renovation projects, which played a vital role in reducing energy consumption and improving efficiency.

### Shanghai Developing Plans for Railway to Pudong

OW1507141592 Beijing XINHUA in English  
1408 GMT 15 Jul 92

[Text] Shanghai, July 15 (XINHUA)—The Shanghai Railway Bureau has joined with the municipal government to organize a leading group to oversee construction of a new railway system planned for the Pudong New Area.

The Survey and Design Institute, a branch of the Shanghai Railway Bureau, is currently conducting a feasibility study, and the design plans are expected to be completed within the next two months.

Zhang Long, director of the leading group, said that the 67-kilometer "South Line" design, which will extend from the branch line in Jinshan to Waigaoqiao in the Pudong New Area, will most likely be adopted.

According to Zhang, the new railway is expected to cost over 670 million yuan.

### Zhejiang Firm Opens Shanghai Securities Business

OW1507132692 Beijing XINHUA in English  
1219 GMT 15 Jul 92

[Text] Hangzhou, July 15 (XINHUA)—The Zhejiang International Trust and Investment Company (ZITIC) joined Shanghai Securities Exchange recently, and with ratification by the Shanghai branch of the People's Bank, it will set up a securities business agency in Shanghai this season.

ZITIC has been dealing in securities for only one year, and so far it has set up two stock exchange business centers in Hangzhou, selling 150 million yuan-worth of various types commissioned securities, including treasury, construction and enterprise bonds.

The agency in Shanghai will subcontract commercial paper at the Shanghai Securities Exchange and open securities investment consultation business.

Sources at ZITIC said that the company is now preparing to expand its business to Shenzhen.

### Zhejiang Capital To Build Tourism, Holiday Zone

OW1507132892 Beijing XINHUA in English  
1255 GMT 15 Jul 92

[Text] Hangzhou, July 15 (XINHUA)—Authorities in Hangzhou, the capital of east China's Zhejiang Province, have decided to build a new tourism and holiday zone near the city's western lake, one of the city's famous scenic sites.

The project, which will cover 9.88 sq km, will include the construction of nine subzones. According to local officials, the estimated 300 million U.S. dollars in construction costs will come from foreign investment.

The officials noted that initial construction is scheduled to begin by the end of this year.

## Central-South Region

### Guangdong Secretary on Reform, Opening Up

HK1507085892 Guangzhou NANFANG RIBAO  
in Chinese 30 Jun 92 pp 1, 3

[Speech by Guangdong CPC Committee Secretary Xie Fei at forum commemorating 71st anniversary of CPC founding: "Communist Party Members Should Become Pioneers in Reform and Opening Up"]

[Text] Comrades:

To commemorate the 71st anniversary of the founding of the CPC, we hold this forum attended by the party branch secretaries of the "10 red flags in the countryside of Guangdong," worker party members, and intellectual party members. On behalf of the provincial party committee, I extend cordial greetings and high respects for party comrades attending today's meeting and also to the entire party members throughout the province who have made contributions to the cause of socialist modernization.

Two days ago, you comrades visited Zhongshan, Shunde, and Nanhai and saw the achievements in economic construction there. You have also exchanged your experiences and ideas about giving play to the role of party organizations as fighting bastions and to the vanguard and exemplary role of party members in the new historical period, having acquired a deeper understanding of the points of carrying forward the party's

principle of serving the people and giving play to the party's leading and guaranteeing role in economic construction.

Our party has led the Chinese revolution and construction for 71 years. The history of our party is the history of serving the people wholeheartedly. In the course of establishing the party's basic line of "one center, two basic points" and striving for socialist modernization with Chinese characteristics, our party has carried further forward this great principle to the full. In the last 10 years and more the economic growth in this province has been quicker than in any time before and the achievements in Guangdong's economic construction have been greater than those in the previous 20 to 30 years. The improvement in the people's livelihood is a fact witnessed by all people. The people have more deeply realized from their personal experience that the CPC is sincere in lending them in eradicating poverty, becoming well-off, and in building a strong and prosperous country. At the same time, they also firmly believe that as long as we continue to advance along the current course, our cause of socialist construction will certainly be victorious and our future will certainly be brighter.

The decade of the 1990's will be a crucial period for the development of our party and our country. Earlier this year, Comrade Deng Xiaoping's important talks during his inspection in the south and the important instructions by the party central leadership required this province to persistently carry out the party's basic line, speed up the pace of economic construction, and strive to catch up with the "four little dragons" in Asia within 20 years. This is a glorious and arduous task for the party organizations and the entire people in Guangdong. The key to fulfilling this task lies in quickening the pace of reform and opening up. At present, to quicken the pace of reform and opening up we should, in particular, properly solve two issues. The first is to further emancipate our minds. Reform is a round of revolution aimed at removing all obstacles hindering the development of productive forces, so we must get rid of various old concepts, break old conventions unsuited to the development of productive forces, and establish a new socialist economic structure full of vigor and dynamism. Therefore, only by further emancipating our minds can we have the spirit of daring to dash ahead and take action, be conscious in carrying out reform and opening up, and have initiative and creativity. The second issue is to streamline the administrative institutions, delegate more powers to localities and grass-roots units, separate government from enterprises, transform the government functions, increase the services offered by the government, and fundamentally change the situation whereby the government too widely and too rigidly controlled economic affairs in violation of the law of economic development. Only thus can the initiative of leaders and cadres at various levels and the masses be fully aroused and can they work with a free hand to quicken the pace of development.

Comrades, we are now situated in a crucially important historical period and shoulder a heavy historical mission. Party organizations at all levels and all Communist Party members should be further mobilized to work hard for the better fulfillment of the party's central task. Communist Party members throughout the province should be the vanguard in the emancipation of the mind, pathfinders in reform and opening, and be models for abiding by laws and discipline.

Since the beginning of reform and opening, the vast number of party members in this province have achieved very good results in leading the masses to emancipate their minds and renew concepts. However, as the situation is still developing, emancipation of minds cannot stand still. What questions should be resolved in the aspect of further emancipating minds in this province? We should mainly make efforts to do a good job in the following four aspects:

First, we should dare to proceed from reality and continue to boldly carry out reform. It is necessary to use a scientific Marxist attitude of seeking truth from facts to guide our practice, and we must not be shackled by concepts and theories which are no longer in keeping with the actual conditions which have changed and developed.

Second, we should boldly assimilate and learn from all civilizing achievements created by human society. All advanced science and technology, all advanced management expertise, and outstanding culture are civilization achievements created jointly by the human race. No artificial marks should be added to these things. We should dare to use these things for our own purposes, digesting what we have absorbed and creating new things through such assimilation, thus quickening our own development.

\*Third, we should correctly approach ourselves and see our shortcomings. This is an important point in emancipating the mind. Our work has achieved great results but we have no reason to be complacent. Complacency is also a demonstration of ossified thinking. If we rest content with our current condition, we will not want to make further progress and this will just lead to a standstill or even retrogression rather than quickening the pace of advance.

Fourth, we should also emancipate our minds in the aspect of using cadres and giving play to qualified and competent personnel. In the practice of reform and opening over the past more than 10 years, this province has trained and tempered a large number of qualified and competent personnel in all fields. Many of them have been discovered and appointed to important posts. However, there are still quite a number of such people who have not been discovered and appointed to important posts. This issue is closely related to the emancipation of the mind. Only by eliminating the influence of "leftism," overcoming the idea of making promotions



only according to seniority and the influence of egalitarianism and metaphysics, can we really find competent cadres and personnel and give better play to able people and their talent and abilities.

Practice is the sole criterion for testing truth. The yardstick to appraise our results in the emancipation of the mind is to see whether things are conducive to promoting the development of the socialist productive forces, to increasing the economic strength of this province and our country, and to improving the quality of the people's material and cultural lives. By adhering to such a yardstick, we shall effectively and properly emancipating our minds, achieving solid results, and turning spiritual strength into material strength.

It is hoped that party organizations at various levels in this province will persistently follow the party's basic line, take this as the starting point, and continue to attach importance to emancipating the mind in connection with the actual conditions of the country, the province, and various units around the central task of economic construction. We should effectively solve whichever problems in people's minds hinder our reform, opening, and economic construction. Communist Party members should play a vanguard role in the emancipation of the mind.

To emancipate the mind, we cannot only indulge in empty talk; instead, we should seek solid results in practice. Communist Party members should be pathfinders through their bold practice and creation in the forefront of reform and opening. In the previous years of war, charging in the van demonstrated the Communist Party members' vanguard role; today, our times still need such spirit. Our ongoing reform and opening and our efforts to build socialism with Chinese characteristics represent a great cause without parallel in history. This requires us to be courageous to dash ahead, to take action, and to blaze a new trail. The vanguard and exemplary role of Communist Party members must be brought into full play in the practice of quickening the pace of reform and opening. At present, this province has formulated the basic objectives and main measures for further quickening reform and opening and accelerating economic development. Party organizations at all levels and the party rank and file should do down-to-earth work and make solid efforts without indulging themselves in empty talk, acting creatively to guarantee the effective implementation of these measures.

To fulfill the party's central task and to better carry out the party's basic line, we must strengthen party building and make efforts to enhance the overall quality of the party rank and file. Only with the overall quality of the party rank and file being improved can the party lead the masses in conducting economic construction and carrying out reform and opening, faster and better. At present, this province faces a very good opportunity in economic construction. This has also set out a higher requirement for raising the quality of party members, especially leading cadres with party membership, and

provided a broader scope of practice for them. We should tightly seize this opportunity to boost economic construction, and at the same time, raise party building to a new level.

To raise the quality of party members, we should attach importance to intensifying theoretical study while stressing the need to make progress in practice. We should also learn how to apply the Marxist position, viewpoint, and methodology to analyze and solve issues. At present, it is particularly necessary to earnestly study Comrade Deng Xiaoping's important speeches during his inspection in the south and earnestly study and understand Comrade Xiaoping's strategic thoughts, theoretical viewpoints, and policymaking principles. This will further raise the quality of party members and promote the development of reform, opening, and construction in all fields in this province. The rapid economic and social development in modern times requires the vast number of party members to continuously update their knowledge and, particularly, to master more economic management knowledge and scientific and cultural knowledge. Lenin pointed out: Only by using the total wealth of knowledge created by the human race to enrich one's mind can one become a communist. Today, while taking part in building socialism with Chinese characteristics, we need to involve ourselves in international economic cooperation and competition. We are meeting the coming of a new scientific and technological revolution in the world. It is therefore more necessary for us to do as Lenin said. Otherwise, we shall not be able to play a vanguard and exemplary role and to fulfill our historical mission. To enhance the overall quality of the party rank and file, we are not only required to master the skills needed for serving the people but also to remain honest and incorruptible in performing public duties, to abide by laws and discipline, to carry forward the spirit of working hard and making selfless dedication, to fight against corruption and advocate honesty, and to consciously resist the corrosive influence of decadent ideology and culture. It is necessary to correctly approach the relationship between becoming rich together and allowing some people to become rich ahead of others. We should care about the well-being of the masses and lead the masses to seek common prosperity. We should properly handle the relationship between public interests and personal interests and be the first to bear hardships and the last to enjoy comforts. We should properly handle the relationship between "public servants" and "masters" and consciously use the powers in our hands to serve the people. We must severely punish degenerate and corrupt elements who violate laws and discipline to guarantee the purity of our party and to raise its fighting effectiveness. We need to foster and promote a large number of outstanding party members who are faithful to Marxism, have the ability to blaze a new trail and the spirit of doing down-to-earth work, and who have made achievements in reform and opening to leading positions. It is necessary to train and bring up a large number of successors who will perform their duties

next century from the high plain of the strategy and the grand objective of building socialism with Chinese characteristics.

Comrades, the party central leadership has set out high requirements and has pinned great hopes on Guangdong's work. This province's tasks in reform, opening, and economic construction are very arduous and the task of party building is also a pressing task. All Communist Party members in this province should boost their creative spirit, take the lead in daring to think and daring to take action, and use their vanguard and exemplary roles and outstanding work performances to greet the convention of the party's 14th national congress.

#### **Guangdong Security Head Urges Action on Gangs**

HK1607030292 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 8 Jul 92*

[Text] Yesterday afternoon the provincial public security department called a provincial telephone conference. Public security department Director Chen Shaoji briefed the participants on the recent situation in public security, and called on public security departments at all levels to pay great attention to current serious criminal offenses and take more effective measures to crack down on and hold in check criminal activities.

Chen Shaoji said: On the whole, Guangdong's social order is good and stable. However, under the circumstances of accelerated reform and opening and economic construction, we face a more complicated situation with respect to public security. We must be fully prepared in our thinking and actions. Currently, bandit gangs are responsible for most serious cases. They are often found guilty of armed robbery, murder, smuggling, drug trafficking, kidnapping, blackmail, collecting bad debts [as heard], prostitution, and gambling. It is necessary to carry out an exclusive struggle against organized crime province-wide.

#### **Guangdong Province's Economy Said Heating Up**

OW1507101892 *Beijing XINHUA in English 0900 GMT 15 Jul 92*

[Text] Guangzhou, July 15 (XINHUA)—The economy of Guangdong Province in southern China is heating up following a return to normal last year.

According to an official of Guangdong Provincial Statistics Bureau, total industrial goods sold during the first six months of 1992 reached 112.89 billion yuan (about 21.30 billion U.S. dollars), up 25.5 percent over last year's same period.

The province exported goods valued at over 7.66 billion U.S. dollars during the first half of this year, an increase of 37.8 percent.

While the total retail sales volume for the period reached 9.11 billion U.S. dollars, and increase of slightly less than 19 percent.

According to the official, the provincial growth rates are "normal," and supply and demand are in balance.

He added that the national government has invested in over 11.09 billion yuan in the construction of basic facilities and for renovation projects.

Overseas investment during the period exceeded 1.87 billion U.S. dollars.

The official attributed the rapid economic development to the 64 billion yuan (1.21 billion U.S. dollar) the province has attracted in new investments in fixed assets, and the acceleration of reforms since Deng Xiaoping visited Guangdong earlier this year.

#### **Daya Bay Development Zone Construction Underway**

HK1507100692 *Beijing ZHONGGUO XINWEN SHE in English 0731 GMT 15 Jul 92*

[Text] Guangzhou, July 15 (CNS)—The Daya Bay Planned Zone, one of four key areas for enlarged openness in Guangdong Province in the 1990s, has reached the threshold of comprehensive development with the injection of RMB [Renminbi] 2 billion within the year for construction of infrastructural facilities.

The planned zone has an area of 265 sq. kilometres, 130 sq. kilometres of which are exploitable. The overall planning of the zone has been checked and approved by experts. Construction of five major infrastructural facilities are now in full swing in order to speed up the development of the zone and create a sound investment environment for investors.

Construction of two deep-water berths for vessels of 10,000 tonnes is now underway and they will be in service within this year. A large land reclamation project from the sea and the levelling of mountains are also taking place in order to set up a nine sq. kilometre economic port area.

A super highway, 50 kilometres long and 88 metres wide started construction this month and will link the port area of the Daya Bay Planned Zone with Huizhou City. The RMB 600 million project is scheduled to be completed within two years.

Construction of basic facilities in an industrial zone occupying an area of 3.3 sq. kilometres and the levelling of land are now taking place.

A water supply project is also underway, with the early stage projects including the setting up of a water plant capable of supplying 170,000 cubic metres of water a day. It is expected that the plant will go into service in the first half of next year.

The local government not long ago made the administrative commission of the planned zone a level of government with the powers of a county-level government, with the aim of promoting development in the zone, the deputy secretary of the party committee of the planned

zone and deputy director of the administrative commission, Mr. Huang Guangjie, said.

Incentives resulting from the setting up in the planned zone of the U.S.\$1 billion Panda automobile item and the RMB 4 billion Shell South China Sea Petrochemical Industrial item, have attracted other domestic and overseas businessmen to invest there. Agreements on more than 30 items newly invested by businessmen from the United States, Singapore, Taiwan and Hong Kong have been signed. A Taiwan businessman planned to make an investment there worth RMB 400 million, involving construction of a five-star hotel and a high-class villa zone containing 180 villas.

#### **Guangxi Chairman Addresses Wuzhou Work Meeting**

*HK1507120592 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 2 Jul 92*

[Excerpts] From 30 June to the morning of 1 July, regional people's government Chairman Cheng Kejie; regional people's government Vice Chairman Chen Ren; more than 30 comrades in charge of various regional commissions, offices, departments, and bureaus; as well as comrades in charge of some 18 departments concerned, including financial, banking, and customs departments, assembled at an on-site work meeting convened in Wuzhou City at which they mainly studied and discussed ways and means aimed at rejuvenating Wuzhou and helping Wuzhou City solve problems and overcome difficulties emerging in the course of its economic construction to bring into full play Wuzhou's role as an ancient port city and speed up regionwide economic development. [passage omitted]

At the work meeting, Chairman Cheng Kejie and other leading comrades meticulously listened to a Wuzhou City Economic Work Report. [passage omitted]

After the work meeting was over, Cheng Kejie again attended and delivered an important speech at a meeting of leading cadres in charge of various Wuzhou departments, commissions, offices, and bureaus.

Cheng Kejie stated: To expedite Wuzhou's economic construction, we must carry out work in a down-to-earth manner and in real earnest. To work in a down-to-earth manner and in real earnest is Marxism, whereas to refuse to work in such a way is contrary to Marxism.

Cheng Kejie called on leaders at all levels in Wuzhou to further emancipate minds, discard ossified traditional concepts, brace up, seize each and every opportunity to catch up with advanced areas, make concerted efforts, work with one heart and one mind, and join hands in promoting regionwide economic construction to contribute to both Wuzhou's economic development and Guangxi's economic development.

Cheng Kejie also called on Wuzhou to make redoubled efforts to build key water conservancy projects and hydropower stations on the Changzhou Island, speed up

the building of an airport on Changzhou Island as well as a second-grade highway between Nanning and Wuzhou and a railroad linking Yulin with Wuzhou, further improve Wuzhou's investment environment at a higher speed, and expedite Wuzhou's reform and opening up. [passage omitted]

#### **Hunan Leaders Visit Textile Exhibition**

*HK1307062092 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 30 Jun 92*

[Text] A provincial sales exhibition of new textile products was held in the provincial Spinning and Weaving Mansion this morning.

Provincial party and government leaders Xiong Qingquan [provincial party committee secretary], Chen Bangzhu [governor], Sun Wensheng, Yang Minzhi, and all others visited the exhibition in high spirits.

Over the last two years, the large numbers of workers and staff and scientific and technological personnel in the textile trade have persisted in gearing production to market needs and displayed boldness in exploring new ways. As a result, they succeeded in developing more than 130 new products, which earned annual output value of about 500 million yuan. On display in the exhibition are 650 new products developed by 80 enterprises and scientific research institutions province wide, of which 200 are new ramie products.

### **Southwest Region**

#### **Article by Yunnan Governor on Faster Opening Up**

*HK1307012092 Beijing RENMIN RIBAO in Chinese 26 Jun 92 p 5*

[Article by Yunnan Governor He Zhiqiang (0149 1807 1730): "Forming Ties With Coastal Provinces in the East, Facing Southeast Asia to the West—Thoughts on Quickening Yunnan's Opening Up to Outside World"]

[Text] Tremendous changes have taken place in Yunnan's frontier since reform and opening up, with long-stride economic and social progress being made and all major economic indexes having doubled ahead of schedule. In the next 10 years, we must firmly grasp the center of economic construction and quicken the pace of reform and opening up to insure the realization of the second-step strategic goal.

#### **Seize the Opportunity, Create a Brand New Situation**

Yunnan is located in the motherland's southwestern frontier, sharing borderlines with such peripheral countries as Vietnam and Laos, and separated from Thailand and Cambodia only by a strip of water, and is a gate through which China reaches India and Southeast Asia on land. Presently, Yunnan faces a new opportunity in opening up to the world. First, Southeast Asia is in the course of "changing the battlefields into markets," and



peripheral countries are implementing opening up in all directions, while Vietnam, Burma, and Laos are actively developing economic and trade relations with China. This has precisely created more favorable conditions for Yunnan's opening up. Second, China's opening up is unfolding from the coastal areas to the hinterland. While implementing the strategy of opening up the coastal areas, China set forth the strategy of opening up along the border and supporting border provinces and regions to develop border trade to extend opening up to the world. Opening wide the hinterland's gate to widen the channels to foreign exchanges has provided a possibility for Yunnan to face Southeast Asia. Third, China has set quickening the development pace of its western nationality regions as an important principle in the 1990's, readjusted the productive force setup, and arranged for a number of important projects. This will be helpful to western nationality regions to exploit their abundant natural resources, and accelerate economic development, thus laying a foundation for extending opening up.

Such opportunity surfaces once in a blue moon, and will slip away in a moment of hesitation. How should we seize the favorable opportunity and extend Yunnan's opening up to the world? Summarizing 40 years of experiences, a very important point is to proceed from the basic provincial conditions, bring forward our merits, and avoid shortcomings in formulating a correct strategy, while doing substantial work in real earnest. Yunnan's conspicuous advantages are its natural resources and geographical position. From the angle of natural resources, it has rather great advantages in biological, mineral, energy, and tourist resources, with great potential in utilizing foreign investment to develop its export-oriented economy. From the angle of geographical position, Yunnan has a dozen or so neighboring countries in Southeast and South Asia, and its borderline accounts for one-sixth of the country's 20,000-odd km on land. Yunnan boasts three passages leading to foreign countries in its eastern, middle, and western parts, in addition to five national-level and 12 provincial-level ports. It has marked geographical advantages in facing Southeast Asia. Based on the aforementioned conditions, we have formulated a two-directional strategy, characterized by simultaneously "forming ties with coastal provinces on the east and facing Southeast Asia to the west." This means namely, strengthening ties with coastal special economic zones, opening up cities and provinces, consolidating and developing cooperation in economic relations and trade with some 100 countries and regions, which have already taken shape, importing capital and technology, and increasing exports to bring in hard currency; placing the focus of opening up on peripheral countries to enable border trade to unfold along the entire border, while developing to a still higher tier and more extensive area; and advancing from the peninsula to the Asia-Pacific region to participate in the cycle and competition of the world economy on a still broader arena to bring along a new situation in Yunnan's opening up to the world, with its economy mounting a new plane.

#### **Do Substantial Work in Real Earnest, Do a Good Job in 10 Things**

At present and in a certain period from now on, to realize the strategic goal of "forming ties with coastal provinces on the east, facing Southeast Asia to the west," Yunnan will focus efforts on doing a good job of the following:

- 1) We will earnestly implement a foreign policy of good-neighborliness and friendliness, do a good job in relations with peripheral countries, and build a good-neighborly and friendly border. It is necessary to adhere to the five principles of peaceful coexistence politically; the principles of equality, mutual benefit, and common progress economically; and develop a good relationship characterized by close relatives to create a sound peaceful environment for opening up and construction.
- 2) We will take an active part in developing border trade. Developing border trade is the breakthrough for extending Yunnan's opening up, and plays an important role in "benefiting the country, making the people prosper, contributing to good-neighborly relations, and stabilizing the country." It is necessary to continue to implement the principle of "giving play to advantages, developing trade to reinvigorate border areas, and strengthening administration and healthy development"; and to promote border trade to develop from partial areas to the entirely border areas, from the narrow frontier to the interior (of neighboring countries) in depth, from pure trade to comprehensive cooperation by utilizing two categories of resources and facing two categories of markets, from assorted minor small-volume, to processing-for-export-type trade.
- 3) We will augment cooperation with peripheral countries in economic relations, trade, and science and technology. In recent years, Yunnan has initialed more than 50 cooperative accords with peripheral countries in jointly developing natural resources, with some of the projects already completed, and others under way. From now on, cooperation will be conducted in still more extensive areas, to realize mutual supplementation with each advantages in common progress.
- 4) We shall establish border opening zones. Several cities along the border with rather satisfactory conditions of communications, frequent ties with peripheral countries, and certain foundation will be selected as border opening zones, and given support in every aspect so that they may take the lead in development, play an exemplary role as quickly as possible, and be a support to opening up to the world.
- 5) We will give full play to Kunming's role in Yunnan and Southeast Asia. Several economic development zones, new hi-tech development zones, and tourist development zones will be built in Kunming in the foreseeable future to complete, perfect, and intensify Kunming's multiple functions as a national port and center city.
- 6) We will develop the tourist economy in a big way. With Kunming as the center, Xishuangbanna, Dali, Lijiang, Baoshan, and Dehong as the keys, tourist rings will be set up inside the province and China, in peripheral countries, and the Asia-Pacific region as well to shape a multitiered tourist circle to attract tourists from all parts

of the world, and make tourism a major industry in Yunnan's economy. 7) We will quicken building of communications, transportation, and telecommunications. Kunming is one of China's major international airports, with 26 air routes, far from meeting the demand. From now on, the Kunming-Singapore air route will be put through to build an aviation network linking to Southeast Asian countries and regions. During the Eighth Five-Year Plan, four airports will be transformed with two newly built to shape Yunnan's aviation network with Kunming as its center. 8) We will reform the foreign trade structure, while establishing a number of foreign trade enterprises with Yunnan's characteristics in opening up to seek development in world competition. 9) We will enlarge combination and exchanges with coastal provinces and regions. In recent years, Yunnan has already put through air routes connecting Xiamen, Shantou, Shenzhen, Guangzhou, and Haikou; conducted large-scope cooperation in building energy resources; and imported technologies and funds from coastal areas. Presently, Yunnan is firmly grasping the building of the Nanning-Kunming Railway, which will provide the nearest seaport to Yunnan and make possible her cooperation with Hainan in various arenas. The close combination of opening up along the border and coastal areas will make the two-directional east-west opening up, with a simultaneous takeoff in opening up along the border as well as the coast. 10) During the Eighth Five-Year Plan period, Yunnan will invest some 20 billion yuan, arrange for 35 major engineering projects, augment basic industry and infrastructure, cultivate industry with advantages, and improve the investment climate so that opening up to the world will have a better material groundwork.

#### **Adopt Whole-Ranging Measures, Insure Smooth Progress of Opening Up**

Quickening omnidirectional opening up to the world is a profound change, involving every aspect, and calls for comprehensive whole-ranging measures to create a sound sociopolitical environment. First, it is necessary to further emancipate the mind. Yunnan was a late starter in reform and opening up; the gap is great compared with the coastal areas; and the main cause is the mind not being emancipated enough, with many wrong concepts which have not yet been broken through. It is imperative to arm cadres and masses of various nationalities with the theory of building socialism with Chinese characteristics and the party's basic line, to unify thinking, emancipate the mind, and lay down the social and ideological bases for extending opening up. Second, it is imperative to deepen reform comprehensively. While deepening rural reform, it is necessary to focus on grasping well reform in industrial, transportation, and commercial enterprises to establish the mechanism characterized by operation on one's own, assuming sole responsibility for profits and losses and self-development and self-restriction, augment vitality of large and medium state-owned enterprises, push enterprises toward the market, and let greater numbers of

enterprises have the chance and strength to advance toward the world. Third, it is imperative to accelerate bringing up qualified people. It is necessary to adopt various ways to cultivate and increase the number of qualified professional and managerial people by sending them abroad for training, on-the-job training, and opening specialized courses at institutes of tertiary education, while bringing up qualified people who have good professional knowledge, are good at operations, have a mastery of foreign languages, are familiar with international practice, and are able to do business with foreign businessmen to promote the extension of opening up to the world. Fourth, it is imperative to adhere to grasping material civilization on the one hand, and spiritual civilization on the other; grasping opening up on the one hand, and administration on the other; and severe crackdown on all criminal activities, such as drug abuse and trafficking to maintain good order on the forefront of the border areas so that opening up undertakings will develop healthily. Fifth, it is imperative to convert government functions, streamline administration, improve work efficiency, overcome formalism, augment building of clean government, and eradicate corruption.

#### **North Region**

##### **Li Ximing, Chen Xitong Urge Private Economy**

*OW1507143892 Beijing XINHUA Domestic Service in Chinese 0632 GMT 15 Jul 92*

[By reporter Yan Zhenguo (7051 2182 0948) and correspondent Chen Zhifeng (7115 1807 1496)]

[Text] Beijing, 15 July (XINHUA)—Since the beginning of this year, the capital city Beijing's individual and private economy has shown a positive trend of vigorous development. In the first half of this year, there were 152,400 households of individual traders and craftsmen, up 11,600 households from the end of last year. Meanwhile, the number of private enterprises increased to 582 from 428, up 36 percent.

It has been reported that the rapid development of the individual and private economy in Beijing is primarily due to the emancipation of the mind among leaders at all levels. Li Ximing, secretary of the Beijing municipal party committee, and Beijing Mayor Chen Xitong separately delivered speeches calling on leaders at all levels to attach importance to the development of the individual economy and encouraging individual traders and craftsmen to rest assured and work boldly. At the same time, the municipal government has issued a "Circular on Certain Policies for Encouraging the Individual and Private Economy." The circular contains relaxed conditions governing personnel qualifications, the scope of business, operational modes, and business locations. The Administration of Industry and Commerce has simplified application procedures for business permits, basically guaranteeing the issuance of permits within seven



days. During the first half of the year, Beijing municipality stepped up the construction of markets and added 17 new markets in eight suburban districts. It has also opened some morning markets and evening markets, providing more business locations for individual traders and craftsmen.

#### **New Economic Zone Established in Hebei Province**

OW1607090292 Beijing XINHUA in English  
0810 GMT 16 Jul 92

[Text] Shijiazhuang, July 16 (XINHUA)—Another economic and technological development zone has been set up in Gaocheng city in north China's Hebei Province.

With a total area of 12.5 sq km, the zone will cater for the chemical industry, electronics, machinery, light industry, food processing, medicine and new energy.

The city has invested 200 million yuan in the construction of three main roads, three bridges and service buildings in the zone.

This year the province has set up economic and technological development zones in Baoding, Shijiazhuang, Xingtai and Handan cities which have already attracted a number of enterprises.

#### **Inner Mongolia Steps Up Work on Border Areas**

HK1607083392 Beijing RENMIN RIBAO  
in Chinese 4 Jul 92 p 4

[Report by Wang Shuqing (3769 2885 7230) and Ao Teng (0277 7506): "Inner Mongolia Steps Up Work To Open Up Border Areas to Outside World"]

[Text] Inner Mongolia is stepping up work to open up border areas contiguous to Mongolia and the CIS. Infrastructure construction in various key ports along the 4,000-km border has been strengthened; a number of "mini-special economic regions" in border areas are being built in 18 border banners and cities; and trade routes are being opened to encourage border areas and their inhabitants to get rich first.

Various banners and cities scattered along the border of Inner Mongolia are areas where minority nationality peasants and herdsmen live in compact communities. Over the past few months, economic and trade activities there have no longer been as stagnant as before, and a number of reciprocal trade areas, trade islands, transit spots, and seasonal ports have been established in succession. In a short span of several months, Hulun Boir Meng started economic and trade cooperation with 51 regions and cities (border areas) of 13 Russian republics [as published]. From January to May this year, the border trade and local trade contracts signed by Hulun Boir Meng were up to 1.07 billion Swiss francs, which was 83 percent of the total for last year. Border trade has given an impetus to the development of tourism and tertiary industry. The opening up of border areas has brought glad tidings of getting rich to border inhabitants,

and minority nationality peasants and herdsmen have dipped their toes in the great tide of commodity economy.

Infrastructure construction in border ports in Inner Mongolia is being launched on a full scale. Various port cities are striving to fully install program-controlled telephones, and some of them have done so; the local railway from Jining to Tongliao, the multiple-track railway in Binzhou, the railway from Yimin to Wuchagou, and several main highways are being vigorously built; the capability of using Ergun He for water transport in summer and frozen-surface transport in winter is being strengthened; projects to reconstruct the Ulan Hot and Xilin Hot airports and construct the Manzhouli airport will start soon; and the four categories of trade—national, local, border, and people-to-people—are being operated on a full scale and an opening-up pattern utilizing the four means of transport—railways, highways, waterways, and aviation—is in the making.

The development of border and people-to-people trade has set in motion the development of agriculture, animal husbandry, and processing industry in border areas. In the first four months of this year, Jirem Meng set up 18 new trade spots in border ports to facilitate good sales of dozens of products, such as white sugar, fruit wine, white cloth, electrical machinery, and paint. In the first five months, more than 400 million kg of grain was sold.

At present, to help border areas and their inhabitants get rich first, the autonomous regional CPC committee and government have decided to further relax restrictions on the opening up policy implemented in border areas; urge border sections with favorable conditions to open reciprocal trade markets; allow citizens holding documents recognized by both Chinese and corresponding countries' local authorities to engage in trade freely in reciprocal trade areas; and encourage state-run and collective industrial and commercial enterprises in border banners and cities to hold direct talks on cooperation projects with foreign businessmen and to vigorously initiate primary, secondary, and tertiary industries.

#### **Shanxi Governor Leads Group to Hong Kong Fair**

OW1607110992 Beijing XINHUA in English  
0939 GMT 16 Jul 92

[Text] Taiyuan, July 16 (XINHUA)—The total contract export volume of north China's Shanxi Province reached 80 million U.S. dollars during a nine-day export commodities fair held in Hong Kong.

From July 6 to 14, Wang Senhao, governor of the province, led a large economic delegation to the fair and held economic and technological cooperation talks in Hong Kong.

The delegation signed economic and technological cooperation contracts worth 680 million U.S. dollars during the fair.

In the past two years the province has quickened its pace in opening to the outside world. Statistics show that it has set up trade relations with 105 countries and regions, and its total export volume last year reached 500 million U.S. dollars.

The province has introduced large amounts of funds from Canada, Germany, Japan and the Asian Development Bank to build some important projects, including the Shanxi Cement Plant and Shanxi Chemical Fertilizer Plant.

In order to attract more overseas investors, the province has worked out a series of preferential policies since the beginning of this year. It has so far approved the setting up of 170 foreign-funded enterprises.

At the same time, Shanxi has made extra efforts to improve its investment environment in the fields of transportation, telecommunications and energy.

In the first half of this year, it has opened air routes from Taiyuan, capital of the province, to Shenzhen in south China's Guangdong Province, Xiamen in east China's Fujian Province, Wenzhou in east China's Zhejiang Province and Harbin, capital of northeast China's Heilongjiang Province. Taiyuan and Datong airports have been renovated.

In addition, 28 cities and counties in the province have newly installed automatic telephones capable of direct dialing to other parts of China and foreign countries.

The total capacity of power generation in the province reached 6.57 million kw last year, 28 times the figure for 1980.

### Northeast Region

#### Heilongjiang Executes Convicted Economic Criminal

SK1007143892 Harbin Heilongjiang People's Radio  
Network in Mandarin 0000 GMT 9 Jul 92

[Text] According to a report in HEILONGJIANG JINGJIBAO [ECONOMIC DAILY], (Yang Xuebing), 29, convicted of corruption and misappropriation, was executed by firing squad recently. He was a clerk in the accounting section under the Wuchang county branch office of the Industrial and Commercial Bank of China. From January 1988 to January 1990, he forged bills or receipts and falsified accounts amounting to 356,000 yuan by taking advantage of his post. In addition, he misappropriated more than 84,000 yuan of public funds on four occasions.

#### Heihe-Russia Border Trade Develops Rapidly

SK1307031992 Harbin Heilongjiang People's Radio  
Network in Mandarin 1000 GMT 11 Jul 92

[Text] Heihe Prefecture has taken advantage of border trade to rapidly develop township and town enterprises. From January to May this year, the amount of goods

delivered to the CIS by the border trade enterprises in Heihe Prefecture's rural areas exceeded 10 million Swiss francs, 2.5 times the total amount of last year. The output value of the collective industrial enterprises at the township and village levels reached 28.61 million yuan, an increase of 39 percent over the corresponding period last year. So far, 31 township and town enterprises in the prefecture have been authorized to deal in border trade, and many township and town enterprises have organized cooperation with Russia to develop the new products to handle Russia's demands. Red ginseng, beer, fruit wine, and beverages in Heihe Prefecture have already entered the Russian market. This prefecture has also initiated 25 collective enterprises, including mushrooms, timber, and bean product plants as well as shops and restaurants, in Russia with its cooperation. By the end of last year, some (?150) units and enterprises in the prefecture were oriented to produce 10 export products, and with the volume of export reaching 4.6 million yuan. In addition, this prefecture has also positively organized export of labor service to Russia. Over the past few years, township and town enterprises throughout the prefecture have sent 1,500 laborers to Russia to undertake construction projects or grow vegetables there.

#### Visiting CPPCC Team Briefs Quan Shuren

SK1507145192 Shenyang Liaoning People's Radio  
Network in Mandarin 2300 GMT 11 Jul 92

[Text] On the afternoon of 11 July, at Youyi Guesthouse in Shenyang, the provincial leaders listened to the opinions and suggestions on further invigorating large and medium-sized state enterprises offered by the team of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], which had come to Liaoning Province for inspection. Since arriving in Liaoning on 1 July, the Liaoning inspection team of the National CPPCC Committee, headed by Zhou Shaoheng, Standing Committee member and former secretary general of the National CPPCC Committee, and with Yang Zhengmin, (Tang Daren), and (Gao Liren) as deputy heads, has inspected the Benxi Iron and Steel Complex, the Benxi Cement Plant, the Shenyang Ferroalloy Plant, the Shenyang Computer [words indistinct] Plant, the Shenyang Taxi Company, the Shenyang Development Zone, and the Nanhu Scientific and Technological Development Zone. The team also listened to the report on Benxi and Shenyang cities' situation in invigorating large and medium-sized state enterprises, and had talks with cadres, scientific and technological personnel, and secretaries of some enterprises.

Attending the meeting held on the afternoon of 11 July to listen to the opinions of the inspection team were Quan Shuren, Yue Qifeng, Xu Shaofu, Xu Wencai, Yu Xiling, Guo Tingbiao, Shen Xianhui, Yue Weicun, Liu Qingkui, Li Ming, and [words indistinct], leaders of the province. Also attending were leaders of Shenyang and Benxi, including Zhang Guoguang, Wu Disheng, (Xu Cheng), (Zhang Hongji), (Cheng Shengjin), and (Wang

Shudi). [passage indistinct] Also attending was (Yu Yonghuang), acting secretary general of the provincial CPPCC Committee.

At the meeting, on behalf of the inspection team, Wang Menglin, (Chen Weimin), (Zhou Ming), (Chen Yifu), (Wang Changlian), (Li Ximin), (Zhang Qibao), and (Guo Zailin), members of the national CPPCC Committee inspection team, offered opinions and suggestions on invigorating large and medium-sized state enterprises. These members maintained: Liaoning's large and medium-sized enterprises have made outstanding contributions to the national economic construction. Recently, particularly since the publication of Comrade Xiaoping's important speeches, Liaoning Province has made a breakthrough in invigorating large and medium-sized enterprises, has adopted some feasible measures, and has yielded some results. However, some problems still persist among large and medium-sized enterprises, and their capacities for self-development and self-renovation remain low.

These members maintained: To invigorate large and medium-sized enterprises, we should further emancipate the minds, change ideas, and accelerate reform. We should also profoundly carry out reforms of the labor, employment, and distribution systems, change the enterprise operating mechanisms; and build enterprises into socialist commodity producers and managers. We should depend on scientific and technological progress, readjust the production configuration, and improve [words indistinct]. At the same time, we should look inward, depend on the masses, tap potentials, and vigorously develop industry.

Quan Shuren, secretary of the provincial party committee, and Yue Qifeng, governor of the province, made speeches at the meeting. They thanked the inspection team for its attention to the construction of Liaoning's old industrial base and for its valuable suggestions and opinions. They also pledged to pay attention to these suggestions and opinions to fortify Liaoning's economy.

This inspection team also offered some [words indistinct] on Liaoning's economic problems, [words indistinct], on further deepening reform, and on expanding opening.

### Northwest Region

#### Yin Kesheng Attends Qinghai Functions

##### At Bank Anniversary Forum

HK1507142192 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 4 Jul 92

[Excerpts] Yesterday [4 July] the provincial Industrial and Commercial Bank held in Xining Guesthouse a news briefing to celebrate the fifth anniversary of the establishment of the bank. Leaders including Yin Kesheng, Tian Chengping, Cai Zhulin, Ma Wanli, Huanjue

Cenam, (Chen Yuxian), and responsible persons from relevant departments came to the meeting to extend their congratulations.

Over the past five years since its establishment, the provincial Industrial and Commercial Bank has conscientiously implemented the state's guiding principle for economic and financial work, strictly followed the monetary and credit policy, actively raised [word indistinct] funds, and continuously enhanced its financial strength to play its financial role of regulating economy. This has forcefully supported our province's economic structural reform, and ensured sustained, stable and coordinated development of the national economy in our province. [passage omitted]

At the meeting, provincial CPC Secretary Yin Kesheng affirmed the tremendous role of the Industrial and Commercial Bank in our province's economic construction. He expressed the earnest hope that the broad masses of staff and workers on the financial front would conscientiously study the new conditions and new problems arising in financial development under the new situation, and that they would [words indistinct], and further give play to the role of the bank as a lever in regulating the economy, so financial work would serve economic construction in a still better way.

#### Inspects High-Tech Firm

HK1507141492 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 7 Jul 92

[Excerpts] While inspecting on 7 July the Qinghai Computer Automation Technology Development Company, Qinghai's first high-tech enterprise, provincial party committee Secretary Yin Kesheng praised the company for transforming a scientific research institute into economic entities and transferring scientific and technological achievements into productive forces. [passage omitted]

After arriving at the company early in the morning, Comrade Yin Kesheng first listened to the company's responsible member's report on the situation with the company. Over the last three years and more, the company has developed 40 varieties of [words indistinct] in turn. These achievements have repeatedly received rewards from the central government and departments concerned. The products have found a ready market in 27 provinces and cities across the land. The company is quite popular country wide and its products are fairly competitive in the domestic markets. Secretary Yin Kesheng gladly responded: Turning scientific research institutes into economic entities and gearing scientific research to economic construction is a broad and correct path we must take. We must vigorously support and give wide publicity to the practice.

He pointed out: Qinghai must enthusiastically develop new and high technologies and new and high-tech industries. Because it has been cut off from the outside world and has remained conservative for a long time, Qinghai



has a weak economic basis and lags behind in all fields. Under the circumstances, we must proceed from realities in developing new and high-tech industries. We will not be able to develop new and high technologies without a proper foundation. In developing our undertakings, we must start from scratch and combine traditional and foreign methods rather than indiscriminately copying practices in other provinces. We can achieve nothing if we fail to take actual conditions into account, nor can we hold our ground without a sound foundation.

Comrade Yin Kesheng emphasized: We must open up a path on our own and must display boldness in blazing new trails before we can make achievements. The Qinghai Computer Automation Technology Development Company has set a good example for us. It has succeeded in breaking a path suited to our actual conditions. This also shows that Qinghai is provided with talented people and that Qinghai's large numbers of intellectuals, cadres, and workers can do big things and are full of promise. We must not repeat the words of some people who have maintained Qinghai is unfit for anything.

The company's responsible member told Comrade Yin Kesheng: Scientific and technological personnel account for 60 percent of their staff. Most of them keep their minds to their work and devote themselves to development and application of new and high technologies.

Upon hearing this, Yin Kesheng said: Intellectuals must be devoted to their cause, but where does the cause lie? It lies in creation, namely, in doing pioneering work. Without creation, there would be no cause whatsoever. Therefore, we cannot do pioneering work without the spirit of devotion. Intellectuals should never seek personal gain but, rather, devote themselves to overall interests. As long as you are a man of enterprise and willing to work in the spirit of devotion, there is ample scope for your abilities in Qinghai. Naturally party and government leaders at all levels must, for their part, care for and support intellectuals in their pursuits. They must, in every possible way, create favorable studying, living, and working conditions for intellectuals. Along with economic growth, they should gradually increase intellectuals' wages and material benefits so that they will give full play to their wisdom. This must not be overlooked.

After having a wide-ranging conversation with leaders of the company, Comrade Yin Kesheng visited the workshops in high spirits. He talked with technical people at work while carefully observing the operation. He praised the company's workers and staff for their contributions and encouraged them to smash all taboos in their work and to act in a bold way so as to render fresh meritorious service for developing Qinghai's new and high technologies and for elevating Qinghai's economy to a new stage.

During the two-hour visit, Comrade Yin Kesheng asked the responsible members if he was needed in helping

them overcome their difficulties, if any. After learning that the company, though enjoying broad prospects, was running short of funds for development, Comrade Yin Kesheng, rushed, after leaving the company, to the provincial Industrial and Commercial Bank to ask the bank for help in offering a solution.

## Shaanxi Holds Provincial Conference on Opening

### Bai Qingcai Speaks

HK1507141892 Xian Shaanxi People's Radio  
Network in Mandarin 0030 GMT 4 Jul 92

[Excerpts] The Shaanxi Provincial Conference on Work of Opening Up to the Outside World was solemnly inaugurated in Xian's People's Building yesterday.

Provincial Vice Governor Wang Shuangxi presided over the conference at which provincial Governor Bai Qingcai and provincial Vice Governor Zheng Silin delivered important speeches. [passage omitted]

The conference was attended by principal persons in charge of various prefectural, city, and county party committees and governments; principal persons in charge of various provincial departments; various Shaanxi-based State Council units; various large-scale industrial, commercial, trade, and tourism enterprises; and principal persons in charge of various people's organizations, news units, key scientific research units, and higher learning institutions across the province.

Persons in charge of the provincial party committee, advisory committee, people's congress standing committee, government, Chinese People's Political Consultative Conference committee, and military district also attended the conference.

Persons in charge of the provincial branches of various democratic parties as well as the provincial industry and commerce federation also attended the conference upon invitation.

The conference was mainly devoted to studying and formulating a guiding ideology, strategic goals, key work aspects, and policy measures for speedier opening up to the outside world throughout the province, mobilizing people across the province to seize current excellent opportunities, make concerted efforts, and strive to open up new vistas for opening up throughout the province.

Bai Qingcai, provincial party committee deputy secretary and provincial governor, delivered a speech entitled: Emancipate Minds, Seize Current Excellent Opportunities, Open Up New Vistas for Opening Up to Outside World.

In his speech, Bai Qingcai dwelled on the following three issues:



1. To acquire a clear understanding of situations, unify understanding, and strengthen a sense of opening up to the outside world and a sense of responsibility; [passage omitted]

2. To offset local inferiorities with local superiorities, develop advantages, and explore a new road for landlocked hinterland provinces to expand opening up to the outside world; [passage omitted]

3. To emancipate minds, ward off interferences, and continually push ahead with provincewide opening up to the outside world. [passage omitted]

Provincial leaders, such as Zhou Yaguang, Chang Lifu, Lu Jianren, Sun Zuobin, Bai Jinian, Liang Qi, Zhi Yimin, Zhao Huanzhi, Chen Andong, Li Huanzheng, Wang Jicai, Sun Kehua, Yu Ming, Liu Lizheng, Tao Zhong, Gao Linyun, Shen Jin, Xu Shanlin, Liu Chunmao, Jiang Xinzhen, Zhang Bin, Lin Jizhou, Hu Jinyun, Liu Liangzhan, Wang Zhicheng, Yang Yongyi, Hong Tao, Zhu Zaoxue, Zhang Wenyi, Han Zhengyao, and Wang Xiangping, also attended the conference.

#### Zhang Boxing's Remarks Noted

HK1507141592 Xian Shaanxi People's Radio  
Network in Mandarin 0030 GMT 6 Jul 92

[Excerpt] The promulgation of an important document entitled *Opinions on Further Expansion of Opening Up*, which is permeated with a spirit of advancing bravely and practical work style, and can be expected to cause the economy to strategically take off in Shaanxi, has marked the satisfactory ending of the provincial work meeting on opening up that was concluded in the auditorium of People's Hall of Xian yesterday. [passage omitted]

At yesterday's closing session, six enterprises including Xian's (Yangjun) Pharmaceutical Limited, Hilton Hotel and others, which have achieved good results in opening up, passed on their experiences. This has further increased people's perceptual knowledge of the present situation of opening up. Provincial CPC Secretary Zhang Boxing made a concluding speech yesterday. He said: The situation of economic development and opening up has demanded that we further emancipate our minds, overcome all interference from left deviations, and be daring and good at learning from all capitalist phenomena which are beneficial to the development of the socialist commodity economy. We must be daring and good at utilizing funds of capitalist countries to carry out our economic construction.

Zhang Boxing stressed: Emancipating our minds and changing our concepts is neither abstract, nor aimed at lecturing other people. We must earnestly practice what we have advocated. He pointed out: We must establish several large projects based on sole proprietorship in one or two years. Only thus can we produce an image of Shaanxi's opening up in the international community. He said: We must not always set our eyes on how foreign

businessmen earn our money. If foreign businessmen can make profits, we can also do so. Without taking this into consideration, it is very difficult for our province to speed up the pace of its opening up to the outside world.

Zhang Boxing also talked about the fact that various democratic parties, Federation of Industry and Commerce, and Hong Kong, Macao, and Taiwan compatriots are a force which cannot be neglected in opening up. It is necessary to exploit their strong points of having wide overseas connections, a large number of scientific and technical personnel, and vast social influence, and of being familiar with overseas markets to open up a new channel for opening up.

In conclusion, Zhang Boxing stressed: Party and government leaders at all levels and various departments must conscientiously implement the plans worked out by the provincial CPC Committee and government for pushing our economy to a new height, and their opinions on further expanding opening up. This is a matter of primary importance in our province now. In addition, while learning all good things from capitalist countries, we must resolutely resist all decadent things. We must persist in doing two types of work simultaneously to ensure the progress of further expansion of opening up.

Yesterday's meeting was presided over by Vice Provincial Governor Xu Shanlin. Those who attended the meeting included Bai Qingcai, Zhou Yaguang, Zhao Huanzhi, Li Huanzheng, and others. Responsible persons of various provincial departments, various democratic parties, and federations of industry and commerce were also present at the meeting.

#### Zhang Boxing Addresses Shaanxi CPC Congress

HK1507142392 Xian Shaanxi People's Radio Network  
in Mandarin 0030 GMT 2 Jul 92

[Text] The Shaanxi Provincial CPC Congress successfully wound up yesterday afternoon after fully fulfilling its agenda.

[Governor] Bai Qingcai, provincial party committee deputy secretary, presided over yesterday afternoon's closing ceremony.

Provincial party committee Secretary Zhang Boxing delivered a speech.

Zhang Boxing, Bai Qingcai, An Qiyuan, Liang Qi, Zhi Yimin, Zhao Huanzhi, Chen Andong, Li Huanzheng, and Wang Yucai, provincial party committee Standing Committee members, were seated at the rostrum.

The deputies attending the congress held: The congress was at once a fully successful meeting which further emancipated minds, boosted morale, enhanced confidence, sought truth, pushed forward overall provincial work, developed democracy, drew on collective wisdom, absorbed all useful ideas, pooled wisdom and efforts of all, and discussed and mapped out a grand plan for

Shaanxi's further development and also a grand mobilization rally which succeeded in mobilizing all cadres and masses across the province to work hard, forge ahead, make vigorous efforts, and strive to achieve province-wide prosperity and push province-wide economic construction to a new stage.

All the deputies pledged to further emancipate minds, update concepts, ward off interference of the left ideology, work in a down-to-earth manner and in real earnest, and strive to push province-wide economic construction to a new stage and attain all goals listed in the Eighth-Five Year Plan and the 10-Year Program as soon as possible.

Zhang Boxing pointed out in his speech: To push economic construction throughout the province to a new stage is at once an arduous economic task and an important political task as well. In order to attain the goal, we must mobilize the entire party membership as well as people all over the province, unify both ideology and action of some 1.6 million party members and 33 million people across the province with the goal of pushing economic construction throughout the province to a new stage, thus enabling everyone to air views, advance proposals, make efforts, and contribute to an economic takeoff throughout the province. To this end, we must first and foremost relay and implement the spirit of the current congress; make known to every household all the concrete goals, tasks, and measures aimed at pushing economic construction throughout the province to a new stage; and waste no time in working out goals and plans for pushing economic construction of various local areas to a new stage and formulating concrete measures for attaining relevant goals and implementing relevant plans.

Zhang Boxing went on: Now that the central authorities have formulated clear-cut principles while the provincial authorities have also mapped out a grand plan, we must make painstaking and redoubled efforts to attain the grand goal of pushing economic construction throughout the province to a new stage in the 1990's. In order to achieve this, we must brace ourselves, carry out work in a down-to-earth manner, and strive for actual results. We must resolutely overcome and straighten out such emotions as complaining about both heaven and man as well as a pessimistic attitude and a state of inertia, brace ourselves in real earnest, enhance confidence, forge ahead in spite of difficulties, resolutely overcome and rectify such an erroneous style as sitting and talking in the office without doing anything substantive, and carry out work in real earnest and in a down-to-earth manner.

Zhang Boxing emphatically maintained: We must further strengthen unity and join hands in pushing forward the great cause of rejuvenating Shaanxi. At present, we are confronted with numerous difficulties and arduous tasks. To further strengthen unity, particularly unity within leadership cores at all levels, constitutes a key link in pushing economic construction throughout the province to a new stage. Therefore, we should trust, show

understanding for, support, join hands, and share weal and woe with each other and form a unified collective force in accordance with the party's democratic centralism principle in order to bring about a comfortably well-off livelihood and push economic construction throughout the province to a new stage.

Zhang Boxing concluded his speech by saying: As long as the party members, cadres, and broad masses across the province unite more closely, continue exploratory work, forge ahead, and carry out tenacious work, we will certainly be able to attain our goal and eradicate Shaanxi's backwardness. Thus, we should stand up with full confidence to greet an earlier arrival of this day!

### Bai Qingcai Addresses Model Workers Congress

HK1507141992 Xian Shaanxi People's Radio  
Network in Mandarin 0030 GMT 4 Jul 92

[Excerpts] The Shaanxi Provincial Model Workers and Advanced Units Congress was solemnly inaugurated in Xian yesterday. [passage omitted]

Provincial leaders, including [provincial party committee Secretary] Zhang Boxing, Bai Qingcai, Mou Lingsheng, Zhao Huanzhi, Li Huanzheng, Liu Chunmao, Dong Jichang, and others, attended the congress and were seated at the rostrum.

Gao Yinmin, provincial labor emulation commission chairman and provincial trade unions federation chairman, delivered an opening speech. [passage omitted]

Ma Shoushan, provincial military district political department deputy director, delivered a congratulatory speech at the congress. [passage omitted]

On behalf of the provincial party committee and government, Bai Qingcai, provincial party committee deputy secretary and provincial governor, extended warm congratulations to representatives of all the model workers and advanced units commended at the congress amidst enthusiastic applause.

Bai Qingcai said: The new situations, opportunities, and tasks have set us higher requirements. The provincial party committee and government have placed ardent hopes on all of you and hope that you will become both forerunners in emancipating minds and vanguards in pushing ahead with reform and opening up, constantly improve your own professional competence and quality, and contribute all your wisdom and talents to Shaanxi's rejuvenation and Shaanxi people's prosperity.

Bai Qingcai called for immediately setting off an upsurge of learning from, catching up with, and producing more advanced individuals and units. He noted: The party committees and governments at all levels across the province must always attach great importance to learning from and catching up with advanced individuals and units while making headway with reform and opening up and organizing economic construction and

must extensively publicize the deeds of all model workers and advanced personalities, and publicize and popularize the experiences of all advanced collectives to bring about advancement throughout the province. Furthermore, the party committees and governments at all levels across the province must show concern for and cherish model workers and advanced personalities, help them tackle and overcome difficulties in their daily work and standard of living, and create a favorable social environment for advanced personalities and models to grow and play their roles.

Bai Qingcai concluded his speech by saying: The provincial party committee and government hope that all model workers and advanced collectives will remain modest and prudent, guard against arrogance and rashness, make persistent efforts, and unite and lead people all over the province to contribute more to the great practice of reform, opening up, and economic construction.

Yesterday's congress was also attended by comrades in charge of various provincial commissions, offices, departments, and bureaus as well as comrades in charge of various provincial-level people's organizations.

## Hong Kong

### Opposition to Electoral Plan 'Increasing'

HK1507024492 Hong Kong SOUTH CHINA  
MORNING POST in English 15 Jul 92 p 1

[Text] Opposition is increasing against a conservative electoral model which suggests a multi-seat single-vote system to be introduced for the 1995 Legislative Council elections.

As pressure grew yesterday, a fresh call for public consultation on the Government's preferred electoral arrangements was made by Legislative Councillor and member of the Co-operative Resources Centre (CRC), Mr Ronald Arculli.

Mr Arculli's move won support from his CRC colleagues, although the Government ruled out a full-scale consultation exercise because of time constraints.

While the Government indicated no preference for any voting system, influential groups, including the Hong Kong Bar Association, professionals and leading academics on constitutional affairs, indicated their opposition to the multi-seat single-vote model.

The conservative model, one of the recommendations contained in the report of the Legislative Council [Legco] select committee on elections, is expected to dominate the assembly's debate on the report today.

At least 38 legislators will speak in the debate.

Four political and concern groups will today stage a sit-in outside the Legco building in protest against the conservative blueprint and there is expected to be a flood of petitions.

The Governor, Mr Chris Patten, yesterday underscored the need for the voting method to carry the confidence of the whole community.

Without dropping a hint on the Government's stance on the 1995 electoral arrangement, Mr Patten said: "It has to carry the confidence that the voting system is fair and equitable. It has to carry the confidence of those who win and those who don't win."

Mr Patten was speaking after attending his first Executive Council meeting, where the voting issue was discussed.

But he added: "It's not a matter for the Executive Council but Legco. There is a lot to be discussed before any decisions are taken about the voting method for 1995."

It is understood that the issue was raised by a non-civil service councillor, who also asked for a vote on the subject, but the Governor ruled that a collective decision was not necessary at this stage.

A vice-director of the local branch of the New China News Agency, Mr Zheng Guoxiong, said political developments, in particular in 1995 electoral arrangements, had to converge with the Basic Law.

When asked to comment on the multi-seat, single-vote system, he said Legco should have an electoral system that would enable all parties to have an equal chance of participation.

The Bar Association yesterday denounced the multi-seat single-vote system as "undemocratic" and a "retrograde step".

It said in a press statement: "The proposals in the (select committee) report to give a voter only one vote in a multi-seat constituency would frustrate the voter's true choice."

"The proposals provide a means to produce results different from what the voters intend."

The Hong Kong General Chamber of Commerce yesterday declined to comment on the subject, although, in an earlier submission to the select committee, it indicated objection to the model and insisted that voters be entitled to one vote for each seat.

The chamber's representative in the legislature, Mr Jimmy McGregor, made a surprise move on Monday by moving an amendment to the motion sponsored by Mr Arculli, which called on the council to "take note" of the select committee report.

Mr McGregor's amendment urged a single-seat single-vote model.

Leading academics specialising in political science and public administration stepped into the wrangle.

In a joint statement, 31 lecturers from the political science and public administration departments at the Chinese University of Hong Kong, City Polytechnic, and University of Hong Kong said the multi-seat single-vote system contravened the principles of democracy.

The President of the Hong Kong Social Workers' General Union, Mr Philip Choi Shing-kiu, said the union had made it clear to Mr Hui Yin-fat, their representative in Legco, their opposition to the conservatives' model, adding that the union advocated a block vote system.

Some accountant members of the Hong Kong Democratic Foundation had also faxed letters to their representative, Mr Peter Wong Hong-yuen, urging him to reconsider his position in supporting the multi-seat single-vote arrangement.

Among supporters of the multi-seat single-vote system are the Heung Yee Kuk, the Business and Professionals Federation and the Liberal Democratic Federation.

The Secretary for Constitutional Affairs, Mr Michael Sze Cho-cheung, said time did not allow the Government to



conduct a major consultation exercise on the voting system, either by means of a green or white paper.

Mr Sze said the Government would have to decide on the 1995 arrangements by early next year.

#### **Legco Rejects Voting Plan**

HK1607041992 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Jul 92 p 1

[By political staff]

[Text] A conservative plan to change the voting system in 1995 was defeated after a marathon debate in the Legislative Council [Legco] that ended at 3.21 this morning.

The multi-seat single-vote model was attacked by liberals and independents during an unprecedented overnight sitting.

Legislators instead voted 28 to 23 in favour of the alternate plan for single seat constituencies in which voters cast a single ballot.

Mr Cheng Hoi-chuen and Mr Eric Li Ka-cheung abstained from voting.

Mr Simon Ip Sik-on was out of the territory and Mr Timothy Ha Wing-ho left mid-way.

The liberals, who advocated a single-seat single vote system, claimed victory after gaining the backing of most of the independents who had until their speeches refused to disclose their stance on the electoral arrangements.

The sitting is believed to be the longest for the legislature, whose standing orders require the approval of the President or the Deputy President for a session to be extended beyond midnight.

When it became apparent at about 10.30 pm that the early part of the agenda for this final sitting of the current session had run over time, Deputy President Mr John Swaine announced he would allow the debate to continue.

In all, 39 legislators spoke on the report by the Select Committee on electoral review.

Heated debates on a number of controversial but important bills including the Crimes (Amendment) Bill 1992 and Societies (Amendment) Bill 1992 were main reasons for holding up the debate.

Mr Swaine said it would be fairer to let the main debate—on Mr Ronald Arculli's motion and Mr Jimmy McGregor's amendment—continue until its conclusion.

An amendment tabled by Mr Frederick Fung Kin-kee was deferred until today.

At 3.15 am, there were 15 liberals, 19 members of the Cooperative Resources Centre (CRC) and 12 independents in the chamber, with 24 spectators.

The three official members, the Chief Secretary Sir David Ford, the Financial Secretary Mr Hamish Macleod, and the Attorney General Mr Jeremy Mathews, left the chamber at about 10 pm and did not return for the vote.

The Secretary for Constitutional Affairs, Mr Michael Sze Cho-cheung, gave the administration's reply in which he said the Select Committee had been able to achieve a wide variety of consensus on many issues.

However, although its report contains 44 recommendations, a majority of the councillors focused on the controversial recommendations for introducing a multi-seat, single-vote system for the 1995 polls.

Mr Sze assured legislators the government would identify the most equitable arrangements for 1995 election.

Moving his motion, which urged the council to take note of the report, Mr Ronald Arculli, a CRC member, said the council should not be asked to decide or accept any of the recommendations of the committee only one week after the report had been tabled.

Also chairman of the Select Committee, Mr Arculli said the issues were of considerable importance and members as well as the public and those who had made representations should be given adequate opportunity to consider and comment on the recommendations.

Challenging Mr Arculli's motion, Mr McGregor proposed an amendment calling for the deletion of the recommendations on the multi-seats, single-vote plan and, instead, urged for a single-seat, single-vote model.

He pointed out that as chairman he did not take part in any decision making. [sentence as published]

The leader of the CRC, Mr Allen Lee Peng-fei came under attack from independent councillor Ms Emily Lau Wai-hing for trying to force the Executive Council to take a vote on the issue on Tuesday.

She said she hoped councillors would respect Legco discussion and not try to pre-empt it.

#### **Official Calls For Disclosing Size of Land Fund**

HK1507131992 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1017 GMT 15 Jul 92

["Chief Chinese Representative of Hong Kong's Sino-British Land Group Says That Time Has Come To Make Size of Land Fund Public"]

[Text] Hong Kong 15 Jul (ZHONGGUO XINWEN SHE)—Sun Yanheng, chief Chinese representative of Hong Kong's Sino-British Land Group told this agency's reporter today that it is time to make public the accounts of the land fund, and that 1991-1992 fiscal year accounts will be made public at the end of October this year.

Hamish Macleod, the British Hong Kong Government's financial secretary, revealed the size of the Exchange

Fund today. People naturally associate it with another sum of Hong Kong citizens' wealth—the land fund. For this reason, I interviewed Sun Yanheng, trustee of the Hong Kong Special Administrative Region Land Fund and chief representative of Hong Kong's Sino-British Land Group, to inquire about plans for the land fund.

Sun Yanheng stated: "We fully understand Hong Kong citizens' concern over the land fund. This being the case, when the fund was first founded, the trustee conceived the need to make the accounts public every year. On second thought, however, we believe such practices might have affected the foreign exchange fund; thus, we adopted a very cautious attitude toward the issue. Now that the foreign exchange fund has already been made public, we believe the time has come to make the accounts of the land fund public too. As the accounting day for the fund falls on 31 March every year, the time to make the 1991-1992 accounts public will be at the end of October this year."

#### **Exchange Fund of HK\$236 Billion Revealed**

HK1607030892 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Jul 92 p 1

[By Fanny Wong and Catherine Chan]

[Text] Hong Kong's Exchange Fund stood at \$236 billion at the end of last year, the Financial Secretary has revealed on the eve of crucial Sino-British negotiations over the financing of Chek Lap Kok airport projects.

Mr Hamish Macleod made the surprise announcement about the Government's best-kept secret as negotiating teams in the Joint Liaison Group's Airport Committee gathered for a first formal session today.

"The balance sheet will show that at December 31, 1991, the Exchange Fund stood at \$236 billion," he told the Legislative Council in a statement that was not even included in the agenda for the session.

He revealed that the accumulated earnings of the fund amounted to \$99 billion and the total foreign currency assets in the fund stood at U.S.\$29 billion, ranking Hong Kong the 12th highest in the world in foreign currency holdings.

This meant the Government held U.S.\$4,962 for every man, woman, and child in the territory. Hong Kong's per capita holdings ranked second only to Singapore's U.S.\$11,376 but were well ahead of the average for OECD countries of only U.S.\$740.

Mr Macleod is the controller of the vast fund, used to maintain the exchange of the HK\$, and made the disclosure after consulting the Exchange Fund Advisory Committee.

He outlined five considerations, including a desire for more openness in the running of Hong Kong, in reaching the decision to break with the tradition of confidentiality.

The Government's move prompted China to follow suit to reveal the size of the Special Administrative Region (SAR) Land Fund.

The leader of the Chinese team of the Sino-British Land Commission, Mr Sun Yanheng, said yesterday that it would take about six months to settle accounts, which ended on March 31 each year, and the announcement would be made towards the end of October or November.

"Now that the Exchange Fund is revealed, we think the time is ripe for us to announce the accounts of the Land Fund," Mr Sun said in an interview with the China News Service.

The Governor, Mr Chris Patten, said yesterday the most important thing the disclosure did was to confirm that Hong Kong had a very strong, stable economy.

"I don't think it makes any particular difference in the management of monetary policy or the management of microeconomic policy," he said.

"What it does, is it's showing how well we've managed those things in the past."

Mr Macleod stressed in his statement the importance of distinguishing the figures for the Exchange Fund, the Land Fund and the fiscal reserves.

He said the fiscal reserves of \$76 billion at the end of December were available to be drawn upon to meet public expenditure requirements. The Exchange Fund was not.

The SAR Land Fund had topped \$25 billion already.

The Government has persistently refused to reveal the Exchange Fund because of fears that it may be vulnerable to speculative pressures on the exchange rate.

"For many years, we have operated a policy of confidentiality on the Exchange Fund. We did so for good reasons," Mr Macleod said.

"But the circumstances have changed and I am convinced that the time is now right to change the policy."

One consideration for the disclosure was the belief that public servants owed the community frankness and openness on important matters of public policy, he said.

Mr Macleod also noted that Hong Kong's monetary framework had been strengthened significantly in recent years, making it less vulnerable to speculative pressures on the exchange rate.

By publishing an annual balance sheet setting out the size of the fund and its accumulated earnings, the Government would be able to "demonstrate unambiguously Hong Kong's impressive financial strength", he said.

"Disclosure will provide important information for credit rating agencies and prospective lenders for our

infrastructural projects to enable them to make a realistic assessment of Hong Kong's credit-worthiness."

It was also in line with established practice in the major market economies, Mr Macleod said, adding that the International Monetary Fund had recommended that Hong Kong took this important step.

Legislators welcomed the disclosure, which they hoped would boost investors' confidence in the airport project.

Economist and appointed legislator Professor Edward Chen Kwan-yiu said he did not believe the release was timed for the airport talks.

He said: "I think the purpose is not to tell the Chinese...and it is not exactly helpful to airport talks.

"It serves to tell Hong Kong people and financiers who are willing to finance Hong Kong projects that we have sufficient funds for the airport."

His Legco [Legislative Council] colleague, Mr Vincent Cheng Hoi-chun of Hong Kong Bank, said the Government had leapt a step closer to open government.

If the disclosure was linked to the airport talks, Mr Cheng said, he hoped it would have a positive effect on the projects.

The banking representative in Legco, Mr David Li Kwok-po, said it was important to let Hong Kong people know the sum, which was sufficient to meet the needs of airport projects.

United Democrats chairman Mr Martin Lee Chu-ming welcomed the disclosure, noting that China should be happy with this.

However, pro-China legislator Mr Tam Yiu-chung said he was surprised by the disclosure and added that there was not necessarily a link between the revelation and the reaching of a solution to the airport financing.

#### **Beijing Urges Starting 'Uncontroversial' Projects**

HK1407131492 Hong Kong MING PAO in Chinese  
14 Jul 92 p 2

["Special feature" by staff reporter Li Hui-ling (2621 1979 3781): "Chinese Side Has Presented Concessive Plan for Airport Project Urging British Side To Start Uncontroversial Projects First"]

[Text] The crisis over the contract on the reclamation project for the new airport construction site costing almost HK\$10 billion [Hong Kong dollars], which was not approved as scheduled, is likely to be solved. This reporter learned that the Chinese side has suggested that before China and Britain can reach an overall agreement on the financial arrangements, the Hong Kong Government, with the approval of China and Britain, may allocate funds for projects which do not involve controversy over the financial arrangements in order to proceed with these projects earlier.

An informed source from the Chinese side told this reporter that during a top-level meeting in Beijing last week, the Chinese side had presented to the British side a program aimed at preventing an excessive delay in the airport project. The Chinese side suggested that both sides can reach an agreement allowing some projects which do not involve controversy over the financial arrangement to start as scheduled, but the Hong Kong Government should allocate funds for the costs of these projects.

The Chinese side is of the opinion that the reclamation project for the Chek Lap Kok construction site costing HK\$10 billion—the most urgent project at present—is an example of "project which does not involve controversy over the financial arrangements."

The Chinese sides always maintains that the airport financial arrangements should be handled in "full coordination." To prevent an excessive delay in the airport project, it has proposed a program allowing "some projects which do not involve controversy over the financial arrangements" to proceed first. The Chinese side itself pointed out that this is a concession at the negotiating table.

#### **British Side Has Not Accepted This Good Intention**

But the British side has not completely accepted the Chinese side's "good intention." This reporter learned that the British side has not expressed complete agreement with the Chinese side's proposal. An informed source from the British side was unwilling to make overall comments on the Chinese side's proposal, but on the reclamation project for the construction site, he said: Logically speaking, with Hong Kong Government investment, the Provisional Airport Authority can ratify the above-mentioned contract without the Chinese side's approval, but before China and Britain can reach an agreement on the financial arrangements, the Hong Kong Government may encounter political obstacles when the Finance Committee applies for fund allocation. He could not confirm whether the Chinese side's "new program" would completely remove these political obstacles.

The informed source from the Chinese side was unwilling to explain "projects which do not involve controversy over the financial arrangements" but only said there is a detailed list of projects in mind.

Apart from the "new program" China proposed to Britain, Britain also raised a new proposal to China at the top-level meeting last week. Chinese negotiating representative Chen Zuor said that Britain had asked China to agree with financial arrangements except those "with possible liabilities" before Britain can provide a program on solving "possible liabilities." Britain has so far refused to openly respond to this.



**Britain Hopeful of PRC Cooperation on Airport**

HK1607044892 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Jul 92 p 1

[By Doreen Cheung]

[Text] Britain hopes the Joint Liaison Group Airport Committee, which today sits down to discuss outstanding problems on financing arrangements, can resolve differences in such a way that the airport projects as a whole are preserved.

A Chinese proposal suggesting Britain could go ahead with urgent projects, such as the Chek Lap Kok reclamation contract, to avoid slippage of the infrastructural scheme is considered not to be an answer to the current impasse on the airport plan.

To avoid slippage in opening the new airport, the Chinese side proposes that the Government award the \$10 billion reclamation contract without having its endorsement over the entire financial package.

As the British and Chinese teams gather for a first formal meeting on the airport financing plan, Britain is expected to impress upon mainland officials that piecemeal approval of the plan is undesirable.

The Governor, Mr Chris Patten, yesterday said the Government would like to get problems relating to the financial package out of the way so the Government could embark on the development of the "whole airport".

After visiting Chek Lap Kok yesterday, Mr Patten said: "It isn't the Hong Kong Government which has raised any problems. We're looking for ways of solving problems—and I'm sure we'll have great co-operation from our colleagues in the PRC."

"I very much hope that the Airport Committee will move forward this week, will in due course find solutions to the problems that have arisen, because it is in everyone's interest that we should prudently solve these problems as quickly as we can."

To allay China's concern that the huge costs may impose a financial burden on the future Special Administrative Region Government, the British side is understood to be confident in Hong Kong's financial strength, especially in light of the revelation that the Exchange Fund stood at \$236 billion at the end of last year.

A vice-director of the local branch of New China News Agency, Mr Zhang Junsheng, refused to say whether the revelation would help the airport negotiations.

But he stressed China always wanted to have an early solution on the airport financing.

"Not only China, but also every sector in Hong Kong, has commented on the airport financing and said it does not want the airport to become a bottomless pit," he said.

"We hope a solution can be reached as soon as possible."

Mr Zhang said an important principle of the Memorandum of Understanding on the new airport was that the facility had to be built in the most cost-effective way so the SAR [Special Administrative Region] Government and Hong Kong people would not be financially burdened.

One of the major worries of the Chinese side over the financial package of the new airport is the \$21 billion to be set aside in case it is needed by the Airport Authority and the Mass Transit Railway Corporation.

China is concerned that the contingency fund might become a liability.

Legislative Councillors yesterday expressed dissatisfaction over the fact that they were denied a say in the Sino-British negotiations on the financial arrangements.

The Secretary for the Treasury, Mr Yeung Kai-yin, repeatedly stressed in yesterday's Legislative Council [Legco] sitting that the Sino-British negotiations should remain confidential.

Otherwise, it might lead to public debate on the positions taken by the negotiating parties, said Mr Yeung.

But he assured legislators that they would be consulted on the proposals agreed by both sides once negotiations had been completed with a satisfactory outcome.

The administration would then come forward with proposals to the Legco Financial Committee for the appropriation of necessary funds and the outcome of the negotiations would be revealed, said Mr Yeung.

While China and legislators were given essential information on the airport core programme, Mr Yeung admitted that only the Chinese Government was given the sensitive information.

Legislator Mr Cheung Man-kwong, from the United Democrats of Hong Kong, said informing Legco of the results rather than the proceedings would downgrade the law-making assembly into a rubber stamp.

His colleague, Mr Stephen Cheong Kam-chuen from the Co-operative Resources Centre, wondered what role Legco could play in these negotiations given the secrecy of the negotiations.

A major conference on the financial arrangement of the airport core programme will be organised tomorrow by the Hong Kong General Chamber of Commerce and is expected to attract 800.

The speakers' team will be led by Chief Secretary Sir David Ford and comprise Secretary for the Treasury Mr Yeung Kai-yin, the Chief Executive Officer of the Provincial Airport Authority, Mr Richard Allen, MTRC chairman Mr Hamish Mathers and the chairman of Hong Kong Bank, Mr William Purves.

**XINHUA Official on 1 Country, 2 Systems**

HK1207080892 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1305 GMT 10 Jul 92

[By Chang Sui-feng (1728 4482 1496)]

[Text] Hong Kong, 10 Jul (ZHONGGUO TONGXUN SHE)—In implementing the idea of "One Country, Two Systems," Hong Kong will create a successful example to show to the world that accomplishing the great cause of reunification of the motherland according to the principle of "One Country, Two Systems" will benefit the people on both sides of the Taiwan Strait and help invigorate the Chinese nation, said Zheng Hua, deputy director of XINHUA News Agency Hong Kong Branch.

On behalf of XINHUA Hong Kong Branch and Director Zhou Nan, Zheng Hua today gave a banquet in honor of participants from two shores of Taiwan Strait attending a "symposium on the relationship between two shores of the Taiwan Strait and peaceful reunification of China," which was being held in Hong Kong. Commenting on the divergence in opinions among symposium participants on the reunification of China, Zheng Hua quoted a Chinese saying: "A single log cannot prop up a tall building, a single river cannot fill up a vast sea." He believed that the great cause of reunification can only be accomplished through concerted efforts by all circles; and a common understanding will certainly be reached at last, so long as all the parties can extensively solicit opinions, make concerted efforts, always bear the

common interests of all the Chinese people in mind, seek common ground while reserving differences, pool collective wisdom, constantly promote intercourse between people on the two shores of the strait, and strive to enhance mutual understanding.

Zheng Hua said: At present, Mainland China is further stepping up reform, opening up, and economic development. This development has had positive influence on Hong Kong's smooth transition and long-term prosperity, and has brought about closer economic cooperation between Hong Kong and the mainland. Now the vast majority of Hong Kong compatriots have full confidence in their future. Zheng Hua anticipated that the principle of "One Country, Two Systems" will certainly be implemented in Hong Kong, thus creating a successful example to be shown to the world. On the other hand, he noted, relations between the two shores of Taiwan Strait have now been substantially improved, and the longstanding estrangements are gradually dispelled. Zheng Hua believed that all these developments have fully proved that the great principle of "One Country, Two Systems" and peaceful reunification advocated by the CPC is completely correct. "Unification is beneficial to both sides and separation will hurt both of them." Only accomplishing the great cause of reunification of the motherland in accordance with the principle of "One Country, Two Systems" can really benefit the people on both shores of the strait and lead to the great invigoration of the Chinese nation, Zheng said.

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